FT No. 31,273
• THE FINANCIAL TIMES LIMITED 1990

I SIDAY OCTORES!

County R B B C

and the state of

and one end

IL IIMES

ED SURVEYS

SCHOOL:

CHES

1300

COL

スページ (金額) 御籍

3-3206

3-4090

CUNDMISE

E DATABASES?

THE PART CHANGE STATES

The control of the body flags in the control of the

THE REPORT OF

المنتخورة رج

By Tony Walker in Cairo, Judy Maitz in Jerusalem and Michael Littlejohns in New York

World News Vranitzky wins British Steel mandate to form Austrian of Spain's government

President Kurt Waldheim of Anstria yesterday asked Chan-caller Franz Vranitzky to form a new government after his Socialist Party emerged the clear winners in Sunday's elec-

tions. Page 2 Philippine clash

Government troops and com-munist rebels clashed in cen-tral Philippines and the southern tip of Luzon Island, killing at least 29 people, only a week after a failed coup attempt on Mindanao Island.

Recruit man fined Hisashi Shinto, one of Japan's most senior industrialists was sentenced to two years' jail, suspended for three years, and fined for taking bribes from the Recruit publishing group. Page 24

'Rhino gang' shot Paramilitary game wardens at the Hwange National Park in Zimbabwe killed all six members of a poaching gang from Zambia, believed to be stalking endangered black

Aborigines angered About 300 Australian Aborigines threw rocks and bottles at police and stormed into the grounds of the New South Wales parliament to protest against changes to laws gov-

erning land rights. China seeks EC link China said it hoped links with the European Community, suspended after troops crushed pro-democracy protests in Peking last year, would soon resume. Cantions economic package, Page 6

Waves lash coastline Waves caused by storms surged up the Bay of Bengal to the Bangladeshi coastline, killing at least 50 fishermen.

Pakistan expulsions Pakistan expelled four Indian

diplomats for engaging in what it called "undesirable activities", thought by diplomats to mean spying. Bhutto attacks president, Page 7

Warsaw pact members launched their third attempt in a month to share out their conventional weapons, a prerequisite for the successful

conclusion of a European arms

treaty. Page 8 N-treaty ratified Soviet parliament voted 347-0 to ratify two US-Soviet ireaties from the 1970s placing limits

on underground nuclear tests. **Asian forest threat** The forests of Asia are disappearing twice as fast as previ-

cusly thought, causing flash floods and mudslides, a UN Rampage in Durban A group of blacks stabbed nine whites when they went on a rampage down a busy street

near the beachfront of Durban. Police later arrested seven men. Time to end sanctions, Souter sworn in

David H. Souter, who may hold the decisive vote in such controversial cases as abortion and civil rights, was swurn in to the US Supreme Court.

Kenya arrests exile Kenya arrested a leading gov-ernment opponent, in exile since 1986, after he allegedly entered the country illegally to launch a campaign of desta-bilisation. Malawi accused of human rights abuses,

Bernstein to retire Leonard Bernstein, 72, the American conductor, announced in New York that he was to retire from conducting and performing as a pianist for bealth reasons.

Business Summary to buy 45% **Aristrain**

BRITISH Steel is planning to buy a 45 per cent stake in Aris-train, the Spanish steel sections producer under plans for a joint venture it was

The deal should put British Steel's strategy for European expansion back on course after the collapse last month of a complex deal with Banesto, the Spanish bank, to buy 80 per cent of Aristrain. Page 25

resumed their bearish course, investors encouraged to take profits by the rising oil price. In Frankfurt, the DAX index lost 32.12 to 1,433.41, while the FAZ index, calculated at midsion, was 3.79 lower at 618.37. In Tokyo, the Nikkei closed above the important 28,000 level at 23,495.11, down 134.89. Back Page, Section II SUPREME Soviet in Moscow

ing system. Page 24 LONDON's International Stock Exchange unveiled a new realtime stock market index of continental European stocks, signalling an intention to

JAPAN's property market looks in poor health following a leading indicator fall last month for the third month in

NORSK Forsvarsteknologi (NFT), Norwegian defence contracting company, secured a NKrl.6bn (\$270m) contract to supply the US Navy with 200 Penguin anti-ship missiles.

SCA, Swedish forestry group that recently acquired Reed-pack in the UK, reported a 4 per cent fell in profits after financial items to SKr1.7bn (\$300m) for the first eight

ACCOR, world's largest hotel group in terms of number of rooms under management, reported a 50 per cent rise in first-half net profits and forecast a 30 per cent growth in

MOTOROLA, US electronics and semiconductor manufacturer, saw its shares plunge by over 12 per cent on news of lower than expected third quarter earnings. Page 26

THAILAND's cabinet approved a \$6bn deal for a Thai-British joint venture to add 3m numbers to the country's telephone

network. Page 4 payments on its foreign debt

CHINA's hardline leadership outlined cautious new economic plans for the next five vears. Page 6

CANADA's leading securities firms imposed stringent auster-ity measures, ranging from lay-offs to cancellation of a shareholders' dinner, in response to a deterioration in rusiness conditions. Page 26

UAL, parent company of United Airlines, rejected a new bid for the US carrier from the employee-led buy-out team.

announced plans to improve co-operation between local a overseas regulatory authorities as part of a clamp-down on corporate crime. Page 32 DOW JONES, publisher of the

FIRRE manufacturers in a new polyester fibre plant in the Lorraine region of northeastern France. Page 3

gave a first reading to laws creating a semi-independent central bank and laying foun-dations for a commercial bank-

strengthen its grip on cross-border share dealing. Page 25, Lex, Page 24

a row. Page 6

months of 1990. Page 25

BRAZIL reopens the first talks with creditor banks in New York today since it suspended

in June 1989. Page 9

AUSTRALIAN government

Wall Street Journal, has reported a 41.4 per cent fall in third-quarter operating profits to \$23.8m or 24 cents a share. Page 26 Europe are planning to protest against the construction of

MARKETS: European bourses

The Iraqi leader's remarks, carried by Baghdad Radio which interrupted normal programming, coincided with an outpouring of international criticism of Israel and increasing pressure on a reluctant US to support a toughly worded UN Security Council resolu-

Mr Bush's comments underlined a further strain in rela-tions between the US and

Israel, its traditional ally in the Middle East. He echoed wide-spread international condem-

ISRAEL was heavily criticised

yesterday both by its allies and its enemies for the killing of 19

Arabs by security forces at a

demonstration in Jerusalem. In Washington, President George Bush issued a stern

rebuke to Israel over Monday's killings: "We deplore it and it

must not happen," Mr Bush

In Baghdad, President Sad-dam Hussein of Iraq, in an

effort to extract maximum pro-paganda advantage from the events in Jerusalem, warned that Israel was coming "closer

He also threatened to strike at Israel with a powerful new

missile in retaliation for the killings. He said the missile

had a range of hundreds of kil-

ometres and could be launched against "the targets of evil when the day of reckoning

to the abyss."



uprising began in the occupied strongly resisting any such

thrising began in the occupied territories three years ago.

The killings also led to renewed calls for a link between resolution of the Palestinian problem and ending the Iraqi annexation of Kuwait. The US and Israel have been

linkage and again yesterday Mr Bush rejected the idea. However, he added: "Israeli security forces need to be bet-ter prepared, need to act with

deadly force."

The Soviet government for its part repeated its call for an international conference on the Middle East to deal with the Palestinian problem. Ever ticipated in a funeral nature aince Iraq invaded Kuwait on August 2, Moscow has said Continued on Page 24

conditioned his support for the US handling of the Gulf crisis on a conference eventually being held.

Britain led a diplomatic damage control effort at the United

such a conference is essential

and observers believe President Mikhall Gorbachev has

Nations yesterday amid fears that the incident outside Jerusalem's Al-Aqsa mosque could result in a disruption in the Security Council's carefully nurtured cohesion in the Gulf

Of immediate concern was a reported threat by the US to veto a proposal to send a three-member UN fact-finding team to Jerusalem with a request to report back to the council by

Israeli Arabs took to the streets yesterday in the occu-pled territories but the Israeli army clamped a curiew on most of the West Bank and Gaza Strip in anticipation of widespread rioting.

According to eyewitnesses, the West Bank and Gaza Strip were relatively quiet. Black flags were raised above roof-tops to mark the beginning of

two days of mourning. On the first day of a two-day strike declared by Israel's 700,000 Arabs, police used tear-gas on rioters in the Christian town of Nazareth and arrested several youths. Thousands participated in a funeral march in

Concern over Gulf, UK economy depresses market

By Rachel Johnson, Economics Staff, in London

RENEWED anxiety about the Gulf and the underlying prob-lems of the UK economy yes-terday punctured the emphoria prompted by Britain's entry to the European Exchange Rate

Mechanism.

As fears of a Middle East conflict pushed oil prices to 10-year highs, the FT-SE 100 share index dropped 67.5 to close at 2,134.1. This was a marked change of sentiment from the index's 134.7-point surge on Members 1934.7-point surge on

Wall Street stocks also plunged on worries about oil prices and the US Congress' failure to complete details of the budget process. The Dow Jones Industrial Index was down 78.22 points to 2,445.54, a drop of 3.1 per cent, according to early, unofficial figures. In Tokyo, Mr Robin Leigh-

Pemberton, governor of the Bank of England, underscored the painful adjustment that the UK's corporate sector would have to undergo to become competitive within the ERM.

The UK economy was clearly slowing down and inflation was set to fall "substantially".

But the economy would have to slow still further to conform to the system's tight discipline.
He warned that a tight monetary policy was needed to
bring down UK inflation. Interest rates at 14 per cent were still "high and tough", while the ERM would help to tighten conditions by forcing the exchange rate to remain high. This would result in "possibly quite severe pressure on companies to control their costs". There would be no "creeping depreciation" of the

currency to help industry ride out its failure to do so. Sterling and government bonds fell yesterday, confirm-ing the brevity of the UK's honeymoon in the ERM and raising the possibility that the pound was overvalued in the system. Sterling's central rate is DM2.95, around which it is allowed to fluctuate by plus or

minus 6 per cent. The currencies and bonds of the low-inflation countries within the European Monetary System were preferred to ster-ling, which lost almost two pfennigs against the D-Mark to close at DM3.0050. Dealing was reported to be "highly specula-tive" amid rumours that the Bank of England was in the market buying pounds to pre-Continued on Page 24

Oil hits \$40 a barrel on threats of war

By Steven Butler in London

OIL PRICES surged above \$40 a barrel yesterday, minutes after President Saddam Hussein of Iraq said that Israel must leave "Arab lands" and warned that Iraq possessed long-range missiles.

The price rise followed a

jump on Monday when Israeli paramilitary police opened fire on Palestinian demonstrators in Jerusalem.
Traders and oil company

executives said the market had reacted strongly to the threat of war and that prices were not a reflection of current supply and demand conditions. Mr Robert Horton, chairman

of British Petroleum, said: "We recognise that there is no physical shortage, although there is dislocation." The price rise completely

reversed a decline last week following conciliatory state-

ments by world leaders that appeared to leave the door

open to a peaceful settlement of the Gulf crisis.

Oil traders fear that a war in the Middle East could disrupt exports of Saudi Arabian oil. It would also lead to a sharp increase in the military densed for oil

North Sea Brent crude oil for delivery within 15 days closed up \$1.65 at \$39.925 in European trading. At the New York Mercantile Exchange, the November futures contract for West Texas Intermediate crude oil was trading at \$40.34, up \$1.39

at midday.
November futures contracts for Brent crude oil on the International Petroleum Exchange rose above \$40 a bar-rel for the first time, before falling back slightly. Oil market wisdom, Page 35

Saddam threatens retaliatory missile strike Oil prices surge over \$40 to 10-year high | President Bush rebukes Israel over killings agrees plan to resolve **US** budget stalemate

By Peter Riddell, US Editor, in Washington

PRESIDENT George Bush yesterday reluctantly acquiesced to the Democratic Congressional leadership's new plan for resolving the US budget crisis. The Republican president also accepted there might have to be a trade-off between techniques are a trade-off between techniques are several income. higher personal income tax rates and a cut in capital gains

Mr Bush had earlier lifted the threat of large-scale lay-offs of federal employees by signing emergency legislation keeping the US government going until

October 19. This ended a partial three-day government shutdown fol-lowing the rejection of the original budget plan by the House of Representatives last Friday. Democratic majorities in Congress pushed through the revised budget plan against the opposition of a majority of

Republicans.
It modifies some of the unpo pular items of the original plan, such as the increased costs of Medicare health provision for the elderly, but leaves open how at least \$20bn of planned savings will be

The Senate vote early yesterday was 66 to 33 for the new

Mr Bush yesterday sought to maintain some leverage by insisting on token expenditure savings in the stop-gap spend-ing measure and by threaten-ing that he would not sign further legislation keeping the government going after Octo-ber 19 unless the final budget deal was satisfactory to him. Congress will be keen to resolve the issue by then in order to concentrate on cam-paigning for the November 6 elections.

The president said the final package must achieve a cut in the deficit of \$500bn over five years "with real savings, without smoke and mirrors". It must also include "growth-ori-ented tax incentives" and reform of the budget process to ensure the agreement was fully

The deal must also have bipartisan support, Mr Bush

However, with his own Republicans sharply divided, Mr Bush has had to endorse the efforts of the Democratic leaders to produce a solution. "We just have to work the process now and hope that the Congress will come up with a Continued on Page 24 Bush popularity fades, Page 9

Philips overhauls information systems unit and sheds 4,900 jobs

By Michael Skapinker and Alan Cane in London

PHILIPS of the Netherlands said yesterday that it was restructuring its unprofitable information systems business with the loss of 4,900 jobs, almost a third of the division's workforce.

Philips said it would concentrate on providing computer systems and services to sectors in which it was strong, such as banking, government depart-ments, the insurance and travel industry. It would buy more of its products from other manufacturers and focus on personal computer-based

The group said it had aban-doned attempts to form partnerships with other compu companies: Philips and Olivetti of Italy called off talks on of hary camed on tanks on co-operation last June. Philips said yesterday that it believed it should "first put its own house in order before pursuing

vices division will be made in

sales force and rely increasingly on dealers and distribu-

The redundancies in the information systems division follow the announcement last month of 4,000 job cuts in Philips' electronic components Mr Jan Timmer, Philips'

president, has warned that the company faces a net loss of Fi 2bn (\$1.1bn) this year. When he took over the running of Philips last July, he said that 10,000 jobs would be lost in the drive to restore the group, Europe's largest electronics company, to profitability. A company spokesman said yes-terday that while Philips might need to make further changes to its businesses, it did not envisage further large-scale job cuts in the immediate future. Philips said that because of the large number of job cuts in the information systems divi-

Most of the job cuts in the 15,000-strong information sersion, compulsory redundancies were inevitable. In common with other com-Europe, and Germany will be particularly badly affected. The puter manufacturers, Philips said that it would provide its customers with products based particularly badly affected. The group will reduce its direct

on open systems, which involve the use of standard microprocessor chips from semiconductor manufacturers like Intel or Motorola and an industry standard operating

Such systems are significantly more powerful than tra-ditional minicomputers of the kind that Philips has been marketing to date and cost consid-

erably less. Personal computers, on which Philips says it will focus, also represent the most vigorously growing sector of the market. Figures from IDC Europa, the market consul-tancy, show annual growth rates in Europe of le four per cent between 1989 and 1994 for medium-sized and small machines, while personal computers are expected to grow annually at almost 12 per

Philips also intends to take advantage of its skill in optical technology to develop image-based office systems and memory systems for personal computers based on compact opti-cal discs.

FOR SALE/ FOR LEASE

For an extensive range of industrial, commercial and residential property opportunities, the Commission for the New Towns can offer the choice of 17 prime New Town locations across England.

CNT has already attracted investors, developers and industrial and commercial operators to choose New Towns as their preferred location and it still has in excess of £1 billion of property and land available.

For further information dial 100 and ask for Freephone CNT Property Centre. Basildon, Bracknell, Central Lancashire, Corby, Crawley, Harlow, Hatfield, Hemel Hempstead, Northampton.

Stevenage, Warrington, Washington, Welwyn Garden City. COMMISSION FOR THE NEW TOWNS, PO BOX 176, LONDON SW15 1BU.

Peterborough, Redditch, Runcorn, Skelmersdale,

Mastern Europe: Western banks told to act ... 2 | Limbering up to leap aboard Iram The long term effects of an earthquake ... 5 the privatisation bandwagon Japane Violent social unrest disturbs a land of

Technology: Electricity alternatives that are a renewed source of scepticism Editorial Comments Time to end sanctions; Europe's test in cars

tsrack Tossed in a sea of troubles ... Britain's entry into the ERM: Fixed exchange rates and the lessons of history



Five years ago, any politician who talked about privatisation in Uruguay risked committing professional suicide. President Luis Alberto Lacalle (left) is a fervent convert, but he knows he must proceed cautiously.

-London Unit Trusts

MARKETS STERLING New York: \$1.9730 (1.9745) \$1:9705 (1.9740) DM3.005 (3.030) FFr10.06 (10.1425 SF12.5175 (2,5350) Y256.75 (256.0) £ Index 96.1 (96.5) COLD

FFr5.0990 (5.1775) Y 130.35 (130.625) DM1.5255 (1.5345) FF:5.105 (5.1375) SFr1.277 (1.2840) Y130.30 (130.65) \$ Index 60.9 (61.0) US Lanchtime rate Fed Funds 81/2% 3-mo Treasury Bills:

DOLLAR

New York:

DM1.5235 (1.5317)

2,134.1 (-67.5) FT Ordinary: 1,640.5 (-65.2) FT-A All-Shar 1,027.82 (-2.9%) New York lunchtis 2,482.18 (-41.58) S&P Comp 308.21 (~5.27) Tokyo: Niidkei 23,495.11 (-134.89) LONDON MONEY

STOCK INDICES

23 Srinis 19,72
28 Companies 22,34
29 Arts Guide + Reviews 21
27 Commodities 25 Crossword 44
Currencies & grovey 44
Editorial Comment 22

37-39

London

New York: Comex Dec \$394.00 (399.3) \$396.00 (392,25) N SEA OIL (Argus) Brent 15-day Nov \$40.70 (38.225) Chief price changes yesterday: Page 25

yleid: 7.34% Long Bond: 9713 yleid: 8.94%

closing 13¾-끊 (13%) Liffe long gilt for Dec 84 % (83 %)

Yugoslavia is latest casualty of oil crisis

By Laura Sliber in

YUGOSLAVIA is the latest east European country struggling to cope with an oil crisis caused by the Gulf conflict and cuts by the Soviet Union, the

country's largest supplier. Mr Ante Vidic, secretary for the Yugoslav Oil Industry Association, said yesterday that the government planned to buy crude oil on the world market at \$36-\$42 per barrel in

an attempt to compensate for a shortfall in expected oil deliv-eries from Iraq. Yugoslavia's shortfall became acute after the Iraqi invasion of Kuwait in August, when the country received less than half of an agreed shipment of 3.5m tonnes of oil

from Iraq.
Far-reaching effects from the Gulf crisis have been compounded by cuts in oil produc-tion in the Soviet Union. Of the 1.2m townes of oil which the Soviet Union agreed to supply in July and August, only 430,000 tonnes was actu-ally delivered, according to Tanjug, the Yugoslav news agency. The squeeze on the oil supply has forced three of Yugoslavia's seven refineries to halt production. The refineries have a total produ capacity of 80m tonnes and the Yugoslav authorities are hard pressed to keep the remaining

four in operation. Yugoslavia is expected to produce about 4.2m tonnes of oil, or just over 25 per cent of the country's total needs. It has tried to compensate for the shortfall by pursuing joint ventures with foreign compa-nies in oil exploration, but the results have been modest. The most significant deal so far between Angola and INA and Naftafas, two of Yugoslavia's yield only 80,000 tonnes of oil this year.

Yesterday, the official Hungarian news agency, MTI, said that Hungary had used up all its crude oil stocks and was being forced to process sup-plies as they arrived daily from the Soviet Union. Hungary contracted to buy 6.48m tonnes of Soviet crude oil this year, but will get less

Bankers told: don't wait for what you want to see in E Europe Western banks have been warned it is inconceivable that economic reform can succeed without them, writes John Lloyd

ALPH Land is one of a handful of British businessmen at the frontline in the campaign for greater western private sector investment in eastern Europe. When he talks about why, he points out that the region (including the Soviet Union) has about the same size

population and gross domestic product as Latin America. What is different is that there are about 18 times as many photocopiers per person in Latin America as there are in eastern Europe. Mr Land is manager of Rank Xerox's east European division

and these sorts of figures point to a near infinite market for people like him. Mr Land was one speaker at the 90th annual conference last week of the Society for World-wide Interbank Financial Tele-communications (Swift), the

banking community's international electronic messaging and payments system. The conference was held in Berlin at the same time as the formal unification of the two Germanys. That helped provide the context within which another speaker, Mr Kurt Mor-gen, a member of the board of the Dresdner Bank, appealed to

his international colleagues to become involved in the political and economic transformation of eastern

There was, he said, no choice if the democracies were to suc-ceed; banks in the west had the responsibility to finance the lion's share of economic reform in the east – "or, to put it dif-ferently, it is simply inconceivable to implement reforms in the eastern economies for the benefit of their people without involving the international

banking community".

The former East Germany, of course, sets the pace and will

set the standard: Mr Morgen's own bank had, in the first six months of this year, established 100 branches, most now on-line, with 50 more to come. But German capital is also the most active in Czechoslovakia. Poland and the Soviet Union.

with and greater geographical and cultural affinity is a large part of the reason: but it is also not difficult to see in this the commercial reflexes of a business generation that rebuilt the former West Germany after the Second World War and has the imagination

and the will to tackle the rebuilding of eastern Europe. For many western bankers and businessmen there is a tendency to wait and see, to let the region "settle down". Let the first entrants take the knocks, while the political air clears and at least a rudimen-tary commercial infrastructure

is created. However, Mr Land, in a straw poli among 15 executives of his acquaintance with interests in eastern Kurope, found that 11 were making a profit and expanding, three were treading water and one was

Latin America's 292,000 copiers compared with eastern Europe's 17,000 serves as a sort of "copier index" for Mr Land, valuable not just to his marketing pitch, but as a measure of the technical and commercial backwardness and size of the market: similar indices could be constructed for any number

Dr Janes Hervath, deputy managing director of Hungary's Foreign Trade Bank, said that since banking had been considered merely a technique for passing money from the state to enterprises, no training was given and no technol-

ogy was thought necessary, in By contrast, the former West German banks invest Distant year in technology.

Mr Land has other figures.

They show a literacy rate in They show a literacy rate in eastern Europe of 99 per cent, compared with Latin America's 80 per cent, and a manufacturing labour force of 70 per cent, compared with Latin America's 30 per cent. This paradox of deliberately underdeveloped countries with a paratox to testically inter-developed countries with a high degree of education and culture means that as new technologies are introduced, they will be taken up with



Austrian Chancellor Franz Vranitzky, left, leader of the Socialist Party, President Kurt Waldhelm, centre, and Josef Riegler, leader of the People's Party, the junior coalition partner

Vranitzky to form government

PRESIDENT Kurt Waldheim of Austria yesterday asked Chancellor Franz Vranitzky to form a new government after his Socialist Party emerged the winners in Sunday's elections, Reuter reports from Vienna.

The Socialists and the conservative People's Party, junior partners in the last coalition,

had earlier agreed to begin talks next week on forming a new government. Mr Josef Riegler, leader of

the People's Party, said his party would insist on retaining the foreign minister's portfolio, currently held by Mr Alois Mock of the People's Party but once a Socialist preserve. The People's Party lost 17 seats for

a total of 60 in the worst election result in its history.

Mr Riegler indicated that if
the coalition negotiations did
not succeed, he would be prepared to talk to the extreme right-wing Freedom Party, which doubled its seats to 33 in

Mr Joerg Haider, leader of the Freedom Party, attracted votes on the strength of his appeal to nationalist sentiments, warnings of rising crime and tough line over immigrants from the east bloc. However, a coalition between the Freedom and People's parties would have a barely workable majority of only three seats, and most

political analysis believe that the People's Party has little choice but to stay with the Socialists, who gained one seat, with a total of \$1.

Mr Vranitzky indicated he might not be prepared to make too many concessions to his potential partners.

He was quoted yesterday as saying that "the election result cannot be adjusted by coalition talks".

The People's Party leader said yesterday that he believed the coalition talks could be concluded in two months. He had earlier asked for and offender, and despite the pas-sage of its "La Pergola" law received a vote of confidence from his party.

Ministers to discuss Mediterranean initiative

By John Wyles in Rome

FIVE North African foreign ministers will meet four of their European counterparts in Rome today to discuss launch-ing a new exercise in regional

The meeting owes much to Italian conviction that fresh approaches are needed, both to deepen dialogue and co-operation between the northern and southern flanks of the Mediterranean and to encourage Medi-terranean and North African countries to mount a more determined attack on political and economic problems.

Italy and Spain, who will be accompanied on the European for a permanent Conference on Security and Co-operation in the Mediterranean. Modelled on its European equivalent, this would aim to provide a framework for resolving conflict in the Middle Rast. Several countries on the North African side at today's

side by France and Portugal, are hoping the encounter will

move forward their proposal

expressed interest in this pro

Italy and Spain hope it will be developed in coming

meeting — comprising Algeria, Tunisia, Libya, Morocco and Mauritania — have already

months by a working group at which the eastern Mediterra-nean will also be represented. But the main purpose of the encounter in Rome is to put the finishing touches to a "declaration of intent", setting out principles for collaboration on political, economic, environmental and cultural issues. mental and cultural issues. This was discussed at two preparatory meetings between officials in March and June. As with the "Pentagonal"

regional grouping which has been set up with Austria and three east European countries, the Italians insist that this Mediterranean initiative will

not cut across existing European Community co-operation arrangements. The Italians point out that the North African countries involved already have bilateral contacts with one or more of the European

participants.

It seems that none of the Europeans at the talks have any reservations about Libyan

They want, among other things, to argue for a resolu-tion of the Gulf crisis in line with UN resolutions and believe Libya may be able to exercise a constructive influence on Iraq.

Brussels warns over putting directives on statute book

By Lucy Kellaway in Brussels

MR MARTIN Bangemann, the European Commissioner for the single market, yesterday urged member states to improve their sluggish performance in translating EC directives into their national laws. The latest commission figures show that half the member states have failed to implement one-third of the directives needed for the single market, and that although some countries, such as Portugal, have greatly improved their record, the position over-all remains unsatisfactory.

Italy is still by far the worst

which was meant to pass all the outstanding directives at one stroke - has only translated 48 directives into law, leaving 62 unimple The UK, which after Denmark has the best record on implementation, is pressing for new systems which would discourage member states from agreeing directives they are unable to implement.

It has put forward a plan -to be discussed at the conference in December - whereby member states that have not implemented directives by the due date would be subjected to **European Court of Justice**

Volvo-Renault deal referred to EC watchdog

THE link-up between Volvo, the Swedish car group, and Renault, the French stateowned motor group, is the first deal to be examined by the EC's new merger vetting team, Incy Kellaway writes. The two companies, which formally completed their cross

shareholding agreement at the end of last month, have sent the Commission its first merger notification form under the new merger regulation which came into force on Sep-

tember 21. Although the deal is not a full merger, the Commission also has power under the merger regulation to vet car-tain joint ventures.

The Financial Times (Europe) Ltd
Published by the Financial Times
(Europe) Ltd., Frankfurt Branch,
(Guioleustrasus S., 6000 Frankfurt-emMain I: Telephone 069-75980; Fax
069-722677; Telex 416193 represented
by E. Hugo, Frankfurt/Main, and, as
members of the Board of Directors,
R.A.F. McClean, G.T.S. Damer, A.C.
Miller, D.E.P. Palmer, London, Printer;
Frankfurter Societzests-DrockersiGmbH, Frankfurt/Main, Responsible
editor: Sir Geofficy Owen, Financial
Times, Number One Southwark Bridge,
Londos SEI 9HL. The Financial Times
Ltd, 1990.

Registered office: Number One, South-wark Bridge, London SEI 9HL. Company incorporated under the laws of England and Wales. Chairman: D.R.P. Palmer, Main shareholders: The Financial Times Limited, The Financial News Limited, Publishing director: B. Hughes, 168 Run de Rivoli. 75044 Paris Celes. 01. Tel: (01) 4297 0621; Fact (01) 4297 0629. Editor: Sir Gooffrey Owen, Printers & Nord Edsir. 15/21 Run de Caire, 59100 Roubaix Cedex L. ISSN: 1148-2753. Commission Paritaine No 57306D.

Financial Times (Scandinavia) Ostor-gade 44, DK-1100 Copenhages-R, Denmark, Telephone (33) 13 44 41. Fez (33) 335335.

"If it is good to have one foot in England, it is still better, or at least as good, to have the other out of it." HENEY MARKS.

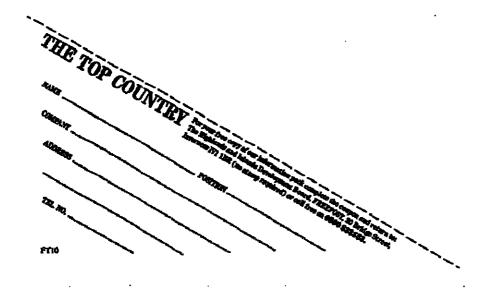




Admittedly it's good to have a foothold in London. After all, it is the country's main centre for business. But not, we fear, for living However, you need not suffer the stress (nor the costs) of the city to work there. The solution lies in The Highlands and Islands Telecommunications Initiative. This is an Integrated Services Digital Network which defeats all distance barriers. coming on stream here now, years ahead of other rural areas. Effectively this places next door everyone you wish to communicate with. It transmits voice, data, text, video and graphics through one fibre optic line quicker, more clearly and at a lower cost – from one of the most magnificent places on earth,

Britain's Top Country. A place where the championship golf courses are as peaceful as the villages. Where the market towns are vibrant, yet only the salmon rivers rush. In our opinion the only problem posed now is not where you'd prefer to live. But how quickly you would like to start living.

THE HIGHLANDS AND ISLANDS



EUROPEAN NEWS

Norwegian group to supply 200 missiles to US

By Karen Fossii in Oslo

NORWAY'S Norsk Forsvarsteknologi (NFT), the defence contracting company, has secured a NKrl.5bn (\$270m) contract to supply the US Navy with 200 Penguin

US Navy with 280 Penguin anti-ship missiles.

NFT was formed in 1987 out of the defunct state-owned arms maker Kongsberg Vaapenfabrikk (KV) which suffered US trade sanctions for collaborating with Japan's Toshiba in supplying Moscow with submarine control systems in violation of CoCommules.

The missiles will be delivered between 1992 and 1996 and the contract is seen as a break-through for NFT in the inter-national market. It also opens doors for further increases in the expert of this type of relethe export of this type of mis-sile to other potential custom-ers such as Spain, Greece and

Australia.
The earlier KV started the The earlier KV started the Penguin missile programme over five years ago, but it was subsequently taken over by NFT when KV was wound down. In 1984, KV and the US signed a deal to integrate KV's Penguin Mark II Mod-7 with the Sikorsky SH60B Seahawk belicopter for the US News helicopter for the US Navy

Lamps III programme.
In 1986 The Royal Norwegian
Navy Material Command and
the US Naval Air Systems Command (Navair) signed a second contract for the adapta-tion of the Penguin MK2 MOD-7 (AGM 119B) anti-ship missile to Sikorski SH-60B Seahawk helicopters in the US

Nawk helicopters in the US Navy's Lamps III programma. The helicopters are to be sta-tioned on board a number of the US Navy's frigates. The contract was worth NKr300m to NFT's Guided Weapons Divi-sion. The adaptation and development programme is nearly

The second secon

ii Gill mass

, 43 to \$

3 3 m

0.50

 $_{\sigma}\sim_{\sigma}M^{\frac{\sigma}{2}}$

1.5

PATTATHE

..: -2: -

completed and the US Navy has carried out a technical evaluation and an operative evaluation of the Penguin for the Seahawk with successful

The helicopter has been codified to facilitate the installation of the weapon pylon/ adaptor for the missile. Modifications were also made to the Seahawk's electronics system for integration with the Pen-guin missile.

The Penguin is mounted on the Weapon pylon with an adaptor containing the necessary software and electronics for integrating the helicopter's radar, navigation and weapon control systems.

Last September (1989) the US Navy signed a NKr50m con-tract with NFT for the start-up of the first 64-series produced Penguin MK2 MOD-7 missiles for SEAHAWK helicopters.

The latest contract with the US Navy was signed last Friday in the US on behalf of the Royal Norwegian Navy, which is the formal supplier to the US Navy, with NFT as subcontractor and a number of Norwegian and foreign subcontractors. and foreign subcontractors.

The production contract builds further on the present development contract concluded in 1986 and is divided into a number of production options totalling slightly under 200 missiles.

In addition, there are a munber of inspection systems and test equipment with a total economic scope of NKr1.6bn. The US Navy's acquisition programme is meant to ensure gramme is meant to ensure continuity of production of the Penguin anti-ship missile in Norway until the Royal Norwegian Navy requires new missiles for its fleet during the second half of the 1990s.

Multi-party system law passed

By Leyla Boulton in Moscow

THE Soviet parliament THE Soviet parliament yesterday adopted long-awaited legislation formally allowing a multi-party system. The new law was passed after deputies reached an awaward compromise on the key issue of disentangling the Communict Party for the

issue of disentangling the Communist Party from the armed forces and the police.

While one camp of deputies favoured total "depoliticisation" — hanning party cells from the army and police—the opposing camp, including numerous Communists from the services, fought tooth and nail to retain them.

The result is a fudge which should permit the continued existence of party cells. The new legislation says simply that servicemen and law

that servicemen and law enforcement officers "shall be guided in their official activi-ties by the requirements of law and will not be bound by the decisions of parties" they

happen to belong to.
The Communists in theory paved the way for pluralism at the start of the year, when giv-ing up a "leading role" as enshrined in the constitution. But it has in practice retained control over central and much of local government, as well as enjoying intimate links with the KGB and the armed forces.

Yeltsin gets his Mercedes

IT'S official: Mr Boris Yeltsin, the populist Russian president who shuns official privileges, will swap his humble Soviet Volga for an armour-plated Mercedes, provided by the

The 60-year-old politician, who was recently involved in a car crash which some of his supporters saw as an assessination attempt, will become the first Soviet politician to use a foreign car for public

Top Soviet leaders are usu-ally driven around in Zils black stretch-limousines made in the USSR - while many lower-level politicians use Volgas, plain Soviet saloon

Mr Yeltsin, elected chairman of the Russian parliament in June, originally opted for the simplest model available to him in keeping with his much-publicised criticism of privieges. He also announced he was

doing away with KGB body-guards as part of his campaign to cut back the powers of the mighty security agency.

However, an official at the Russian parliament said that voters from across the country had sent in countless tele-grams demanding tighter secu-rity for the president since last

month's accident.
The official said the KGB would provide the Russian leader with three Mercedes 500s and a fourth car whose



Yeltsin: will swap his humble Volga for armour-plated luxury

make he could not specify.

He added that Mr Yeltsin had also accepted an offer of 24 armed bodyguards — but he was not sure whether the offer was from the KGB or the Inte-

rior Ministry.

Mr Yeltsin, who is still convalescing at home, has claimed in the past to be thevictim of

Communist Party dirty tricks.

● The rebellious Russian parliament yesterday formally voted to go ahead with the 500-day programme of transition to a market economy on November 1 — whatever the rest of the Soviet Union may decide,

Quentin Peel reports from Moscow.

Row over subsidised French fibre plant

FOUR European fibre manufacturers are planning to mount a joint protest against the construction of a new polyester fibre plant in the Lor-raine region of north-eastern

France. The \$160m (£81.2m) plant, which will produce polyester yarns for reinforcing car tyres, is to be built by Allied Signal, the US engineering and automotive components group, at Longwy, the former steel town.

Lorraine is a major tyre-making region, with Michelin, Kleber and Continental plants. But Hoechst of West Ger-many, Akzo of the Nether-lands, ICI of the UK and Snia of Italy are planning to launch a campaign against the level of subsidy provided for the plant by the French government and the Lorraine regional adminis-tration. Allied Signal says the subsidy amounts to around 20 per cent of the total cost.

The four argue that although these subsidies have been approved by the European Commission - Lorraine, which suffered heavily from job cuts in the steel industry, qualifies as a region requiring special aid - they will severely distort competition and put thousands of jobs in

nearby factories at risk.
Allied Signal, which plans to
break ground on the Longwy

site in December or January and have the plant ready for operation early in 1993, says it will employ around 300 people on the site, but will not give production capacity figures for the plant.

Company officials said they preferred not to comment on the complaints of their competitors until they had seen the

details of the charges.

The row is reminiscent of the dispute which arose earlier this year over the offer of sub-sidies to Guardian Glass, the US-owned flat glass company, for the installation of a float glass plant near Nimes in southern France. Saint Gobain, France's own leading glass producer, argued that Guardian should not receive any higher subsidy than the FFr32m (£3.1m) it received itself for a FFr500m-FFr600m plant opened up last year in southern

However, government offi-cials in Paris and Metz yesterday dismissed the complaints about the subsidies being provided for the Allied Signal

They pointed out that Longwy, as a former steel town with high unemployment, is fully entitled to the regional development premium awarded for job-creating projects in depressed areas.

Warsaw Pact discusses share-out of weapons

WARSAW PACT members yesterday launched their third attempt in a month to share ont their conventional weap-ons, a prerequisite for the suc-cessful conclusion of a Euro-pean arms treaty next month, agencies report from Prague.

Deputy foreign ministers and military chiefs of staff of the crumbling, Soviet-led alliques started a two-day meeting where the main stumbling block was expected to be tank quotas. Under proposals at disarmament negotiations in Vienna, Nato and the Warsaw Pact

would each have 20,000 tanks stationed in Europe. Two previous meetings, in Bratislava on September 10 and 11, and in Prague two weeks ago, failed to resolve how the Pact's share would be divided among its six members. Agreement has been received on military sixteen reached on military aircraft and belicopters but outstand-

ing issues, apart from tanks, are the share-out of armoured vehicles and artillery. The Soviet Union and its east European neighbours disagree over what percentage of the overall weapons allotment each country may hold. Moscow's proposal would allow it to control a vast major-

ity for the eastern side. The other Warsaw Pact members, growing away from the Soviet Union as a result of last year's revolutions against communism, want a lower Soviet

The Czechoslovak state news agency CTK said demands for allotment of tanks exceeded the overall ceiling for the Warsaw Pact countries by 450 Disagreement over the divi-

sion of weaponry between the Warsaw Pact states could, the-oretically, still stall the Vienna talks on cutting conventional weapons in Europe (CFE) and the signature of a European arms treaty planned for the summit of the 34-nation Conference on Security and Coop-eration in Europe (CSCE) in Paris on November 19.

Mr Jozsef Antall, the Hun-garism prime minister, said the Warsaw Pact would hold a summit meeting in Budapest



CANON PLAIN PAPER FAXES

BECAUSE CURLY DOCUMENTS HAVE ALWAYS BEEN DIFFICULT TO FILE.

ANYONE.

CAN Canon

Maybe the papyrus scroll was to blame for Nero's insanity.

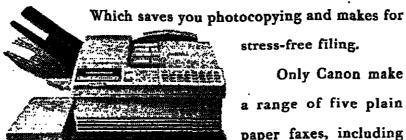
Did the awkward task of filing become 'ad nauseam'?

Was reading the faded script too much of a strain?

These same problems make the curled thermal document equally outdated.

Compared to a modern Canon plain paper fax

that arrives totally flat. And bears a crisply printed, high quality message that won't fade over time.



stress-free filing.

Only Canon make a range of five plain paper faxes, including

the new L770, which laser prints onto photocopier paper. An innovation that costs less than using traditional thermal

paper. (So you can put away your abacus.)

For further information on the latest fax technology, just send in the coupon below.

After all, it's not everyday you have the chance

to learn from the downfall of an empire.

PARK	CANON HOUS
	MANOR ROA
POSITION	WALLINGTO
TYPE OF BUSINESS	SURREY 5146 D
THE CH BUSINESS	DIAL IGO AND A
COMPANY	FOR FREEPHO
ADORESS	CANON (UK) E
NAME 23	OR TELEPHO
	CANON DIRE
	ON 081 773 31
ELEPHONE	B9041EN FAX 061 773 21

NEWS IN BRIEF

Approval for Lufthansa's takeover of Berlin routes

LUFTHANSA, the former West German airline, has obtained approval from the cartel authorities for its takeover of Pan Am's coveted routes to Berlin, with the sacrifice of three take-off and landing slots in Frankfurt, according to a Lufthansa spokesman, writes Katharine Campbell in Frankfurt.

The authorities had in September voiced concern that the deal could reduce competition in the German skies. Aero Lloyd, the German charter and scheduled carrier, has been keen to obtain an entry into the Berlin service, hitherto blocked for German airlines by the four-powers agreement ruling the divided city.

It is understood that Aero Lloyd will be buying the three Frankfurt slots. Lufthansa, which will have 45 flights a day from various west German cities to Berlin in its winter timetable, faces a much tougher fight in its tassle against British Airways to take control of the former East German airline Interflug.

Envoys drop diplomatic guard More than 400 former East German diplomats, in an open letter, yesterday accused Mr Hans-Dietrich Genscher, the German foreign minister, of dropping a "political neutron bomb" on their old ministry to get rid of the staff, Reuter reports from Berlin.

The government says it does not want to employ diplomats from the east because they could prove security risks.

Gorbachev plans visit to West President Mikhail Gorbachev will visit France later this month and Germany next month, his spokesman said yesterday, AP reports from Moscow. No precise dates were given.

Mr Gorbachev was invited to Paris for a visit concerning bilateral relations, while his invitation from Germany was to sign

Italian steel chief honoured

a German-Soviet friendship treaty.

Mr Giovanni Gambardella, managing director of Ilva, the Italian state steel company, was yesterday awarded the 1990 European Achievement Award by ASM Europe, the regional branch of ASM international, the materials information society, writes John Wyles in Rome. Mr Gambardella was cited for "outstanding entrepreneurial leadership and management resulting in the renovation of the Italian national steel industry, a fundamental element of Italy's social and economic development".

Hungary arrests 488 foreigners

Hungarian police and border guards have rounded up 488 foreigners, mostly from eastern Europe, in a crackdown on crime, the authorities said, Reuter reports from Budapest. Crime rates have soared in Hungary during the past two years of reform.

FINANCIAL TIMES CONFERENCES

PRODUCT STRATEGIES FOR THE 90s 15 & 16 October - London

Strategies for product design, development and marketing will be the subject of a high-level forum to be arranged by the Financial Times in association with the Design Management Institute.

Manufacturing companies in Europe, North America and the Middle East are engaged in a product race of increasing intensity. Relentless international competition, soaring development costs and shorter product lives are stepping up the pressures all the way down the line, from research to final sales. This forum will bring together an international panel of top industry speakers from such companies as The Sony Corporation, Volvo, Braun and Rank Xerox to look at every aspect of the management of design and development, particularly the integration, marketing, design and manufacturing specialists.

A major feature of the programme will be case studies with speakers from Digital Equipment and Texas Instruments sharing their experiences of product development and strategy.

EUROPEAN BUSINESS FORUM - BUSINESS IN CENTRAL AND EASTERN EUROPE 26 & 27 November - Rome

Once every two years the Financial Times arranges a high level European Business Forum in Rome. Developments in the Soviet Union and in Central and Eastern Europe will be the principal theme for this year's agenda. The conference will interpret political and economic developments and will provide an autoritative briefing on the prospects for manufacturers, bankers and other business leaders as the former East Bloc economies open up

Dr Guido Carli, Italian Treasury Minister has agreed, in principle, to give the keynote opening address on the political and economic scene in Europe over the next ten years and other contibutors include: Ambassador Renato Ruggiero, Italian Foreign Trade Minister, Professor Ivan Ivanov, Soviet State Foreign Economic Commission; Dr Václav Klaus, Minster of Finance, Czechoslovakia; Mr Ferenc Rabár, Hungarian Minister of Finance; Mr Viktor Gerashchenko, Gosbank; Professor K Lotkowski, Advisor to the Polish Finance Minister; Mr Horst Krenzler, Commission of the European Communities; Dr Franco Krenzler, Commission of the European Communities; Dr Franco Nobili, IRI: Dr Axel Lebahn, Deutsche Bank; Ing Paolo Cantarella, Flat Auto; Dr Sergio Siglienti, Banca Commerciale Italiana and Sir Frank Cooper, N M Rothschild & Sons.

PETROCHEMICALS IN EUROPE - THE NEW SCENARIO

The Financial Times second Petrochemicals conference brings together a distinguished panel of top industry executives to debate the key issues of current concern. After seven years of strong growth, the international petrochemicals business enters the 1990s facing several pressures and a period of uncertainty and volatility. The conference will examine supply and demand, examine the process and concerning the strong continuity and constraints. and volatility. The conference will examine supply and demand, sustaining profitability, the challenges and opportunites in Eastern Europe and the impact of world oil prices on petrochemical operations. Mr Jim Gordon, Chemicals Co-ordinator of Shell International Chemical Company will deliver the opening address and speakers taking part include: Mr Bryan Sanderson, Chief Executive Officer, BP Chemicals; Mr Bryan Sanderson, Chairman of ICI; Mr Abdulaziz Ibrahim Al-Audah, President of Saudi Methanol Company; M. J Puechal, President of Atochem; Mr Simon de Bree, Member of the Board of Managing Directors, NV DSM and Drs Hugo Lever, Director General of CEFIC.

All enquiries should be addressed to:
Financial Times Conference Organisation
126 Jermyn Street, London SWIY 4UJ
Tel: 071-925 2323 (24-hour answering service)
Telex: 27347 FT CONF G Fax: 071-925 2125

WORLD TRADE NEWS

How to settle trade rows without tears

US and Canada provide a model for patching up differences, writes Bernard Simon

O PART of the US-Can-ada Free Trade Agree-ment has attracted more interest in the deal's twoyear life than its innovative provisions to settle cross-bor-

Canadian and American

exporters and their govern-

ments have funnelled a total of 15 cases to bi-national panels set up under the agreement to

review decisions by trade tri-

bunals in the two countries.

Equally noteworthy, trade

experts from countries as

diverse as Australia, Mexico,

Japan and Israel have beaten a

path to Ottawa and Washing-

ton to explore whether the

FTA's mechanism can be applied to their own trading

Quicker and less expensive than court proceedings, the system has allowed the US and Canada to settle some of their

thorniest trade disputes with a minimum of political fallout.

Although the panels are com-

posed of citizens from both countries, several of their deci-

sions have been unanimous.

The review mechanism may

The review mechanism may even have encouraged government agencies to be a little more thorough in their decision-making. The panels appear to have been less deferential than the courts to agen-

MOTOROLA, the biggest US semiconductor maker, says it has reached "satisfactory set-tlement" of its long-running microprocessor patent dispute with Hitschi of Japan, Louise Kehoe reports from San Fran-cisco. The actions had threatened to disrupt supplies of

Hitachi and

Motorola

patent row

end chip

Motorola microprocessor chips to US computer manufacturers. Details of the out-of-court settlement were not disclosed but Motorcia said both compa-nies will ask the US courts to dismiss suits they have brought against each other. Mr James Norling, Motorola

semiconductor products sector president, said Motorola was pleased with the settlement. "Our unwavering goals were to protect Motorola's intellectual protect Motorola's intellectual property, and assure our customers an uninterrupted supply of Motorola's leadership microprocessors. This settlement achieves both goals."

At issue was Motorola's claim that Hitachi infringed

patented microprocessor technology used in its 68030 chip. a component in Hewlett-Packard computer work-stations and Apple Computer personal computers as well as several smaller computer mak-

ers' products. Motorola customers had urged an end to the dispute. Earlier, a Texas court ordered Motorola to halt output and sales of the chip. Motorola won a temporary reprieve from an appeals court, but the potential for serious business interruption has threatened the industry for several months.

, itachi was also ordered to halt

shipments of one of its semiconductor products. The impact of this was less severe, because it is widely used in the US. The orders followed a Texas court ruling that both companies had infringed each other's patents. Motorola had sued Hitachi for patent infringement; Hitachi

counter-sued. Motorcia results, Page 30

cies such as the US Interna-tional Trade Commission. the Americans from fish caught in waters off British Columbia.

sions can be transplanted successfully to trading relation-ships between other countries is another matter. Mr Elliot Feldman, a Washington trade lawyer, notes that "its success depends so much on the spe-cial mutual trust between Canadians and Americans, and an understanding of their

respective legal systems". The agreement provides for two types of review procedure, known as Chapter 18 and Chapter 19 panels.

The Chapter 18 panels are a modified General Agreement on Tariffs and Trade system designed to adjudicate longrunning disputes which have inflamed public opinion. Unlike Gatt dispute settlement procedures, however, the FTA process sets short, fixed periods for various stages, and con-tains automatic triggers to prevent either party from blocking the process

Only two disputes have so far been referred to Chapter 18 panels. One was a complaint by US fish processors that while their Canadian counterparts were allowed to buy large quantities of unprocessed Alas-kan salmon and herring, Canadian export restrictions barred

The other dealt with Canadian objections to US conserva-tion rules on the size of imported lobsters. The west coast salmon and

herring dispute had dragged on for three years before it was referred to an FTA panel. The panel submitted recommendations within three months, which formed the basis for a final negotiated settlement

> It has allowed them to settle some of their thorniest trade disputes with a minimum of political fallout

> between the two governments. The lobster panel also came up with proposals (essentially vindicating the US position) which appear to have given impetus to an agreement between the industries in the two countries. The agreement is now awaiting approval by

the governments. The Chapter 19 panels have a narrower focus. They act in place of domestic courts to

review whether specific anti-dumping and countervailing duty determinations are consistent with the law of the country where they were

made.
The five-member panels are chaired by a lawyer and drawn from rosters of 25 candidates drawn up by each government. The time limit from a request for a review to the panel's decision is \$15 days. Decisions are binding. In what appears to be an

indication either of Canadian sensitivity or the vulnerability of decisions by the US Import Administration and International Trade Commission, all but one of the 18 Chapter 19 panels set up so far have involved Canadian complaints about US decisions. The single appeal against a Revenue Can-ada decision, involving alleged dumping of induction motors, was terminated by the participants before the process was

The cases that have so far come before Chapter 19 panels have dealt with products as diverse as raspberries, chilled

will involve a complete with-

drawal of government support within three years. However,

only 33 per cent of respondents

pork and steel rails.
Mr Doug Waddell, directorgeneral for US trade policy in the Canadian department of external affairs, says that despite Canada losing several

of the decisions, the Chapter 19 process "seems to be working very well".

From a political point of view, the Canadians were especially heartened by a panel's decision last month to refer back to the US Commerce Department three of its four

rulings on the extent of subsi-dies granted to Canadian pork processors.
Some problems have inevitably cropped up with the FTA dispute settlement process. Trade lawyers, for instance, have criticised some of the

appointments to the panels.
Furthermore, except for the
two fish disputes, the two governments have hesitated to
refer some of their most serious disagreements to a panel, preferring to rely on less for-mal negotiations. For instance, a 30-year row over whether Canadian plywood meets US building standards is still in the hands of a committee of experts trying to draw up mutually acceptable standards for the Canadian product.

Mr Feldman says: "Consideration should be given to making greater and earlier use of Chapter 18 panels, seeing them not as rescue operations after failure, but rather as expert binational efforts to settle incipient disputes on their merits."

Fewer than half UK exporters back ECGD changes

By Peter Montagnon, World Trade Editor

FEWER THAN half Britain's opposed. A large majority of 71 per cent said they would planned by the government for review their business strategy exporters support the changes planned by the government for the Export Credits Guarantee Department (ECGD), according to a survey carried out by Sedgwick James, the credit

insurance brokers. Ninety-two exporters were asked their onimions in the survey which covered proposals to privatise ECGD's short-term commercial risk insurance business and plans for higher premiums and curbs on cover availability for medium-term guarantees.

Only 44 per cent of the 55 respondents said they sup-ported the changes, while 36 per cent said they were

if British export credit facili-ties ceased to be competitive with those of other countries. Nearly half said they would switch productive investment

or procurement to other countries with better export credit arrangements and 41 per cent said they would cease to export to certain markets.

The survey reveals particular scepticism about ECGD's medium-term credit guarantee business, where it is trying to cut its risk of losses by increas-ing charges and reducing cover limits.

respondents thought this would seriously affect their ability to win business in export markets, and 93 per cent said they thought a direct government scheme should continue to be provided in this

The government plans to persuade other countries to adopt a similar tough line in medium-term credit underwriting received a resounding vote of no confidence, with 91 per cent of respondents describing its approach as unrealistic. The survey also showed a high degree of caution about the proposed privatisation of ECGD's short-term commercial

thought the private sector could satisfy all their short-term credit insurance needs, while only 8 per cent thought other leading indus-trial countries would follow Britain's lead in withdrawing government support. A major-ity of 68 per cent said this would put them at a serious competitive disadvantage. Over half the respondents (51 per cent) said it would make no difference if ECGD's short-term insurance business

were to be acquired by a for-eign company, though 36 per

cent said they would prefer the new owner to be British and 13 per cent wanted it to be Euro But there was a clear lack of

support for merging ECGD with Trade Indemnity, the pri-vate-sector credit insurance specialist that has been actively campaigning to take over the business. No less than 57 per cent said they were opposed to this and only 41 per cent were in favour.

The poll also revealed a high degree of support (60 per cent) for a centralised European Community export credit guarantee scheme. Only 16 per cent asid they were against such an idea.

MEDWAY KENT



A beautiful move for high tech companies

Attractive quality riverside offices and high technology units in a thriving community only 45 minutes from Central London and

the European ports. Enterprise Zone benefits available For further information contact: Sue Turner

The Medway & North Kent Enterprise Office

Civic Centre, Strood, Rochester, Kent ME2 4AW. Tel: Medway (0634) 732716

FREEPHONE 100 OW RENTS ON MOST UNITS

Alcatel signs digital exchange nact with Poland

ALCATEL CIT has signed a joint venture to make digital exchanges with Teletra, the Polish telecoms supplier - the latest in the French group's co-operation deals in eastern Europe, William Dawkins reports from Paris.

reports from Paris.

The venture, Alcatel CIT Polska, will invest FFr250m (\$24.6m) in a plant to make the latest generation of Alcatel E10 digital phone exchanges. Ultimate capacity will he 300,000 lines a year. The Prench company will hold 55 per cent of the capital, with the rest shared between Teletra (35 per cent), and two other Polish companies, Eltra and Elektrim. and Elektrim.

and Elektrim.

The accord deepens Alcatal's links with Teletra, which already makes Alcatel E10 digital exchanges under licence for Polish use and for export to Czechoslovakia. The licence will now be owned by the joint

In the past year, Alcatel formed contracts and joint ventures in Romania, Hungary, Yugoslavia, the former East Germany and the Soviet Union. Its east European turnover reached FFr552m in 1989.

Thais approve \$6bn phone network deal

By Peter Ungphakorn in Banckok

THE Thai cabinet yesterday approved a controversial \$6bn (£3bn) deal for a Thai-British oint venture to add Sm numbers to the country's telephone

network. The plan for Charoen Pokphand (CP), one of Thailand's
largest business groups, and

according to cannet members,
it did not conform with any
existing privatisation method,
nor had it passed through the British Telecom (BT) to build the system, transfer ownership to the state-owned Telephone to the state-owned Tensmann Organisation of Thalland, then operate it had threatened to of the coalition toned down their earlier accusations that

The deal came under fire again at yesterday's unusually lengthy cabinet meeting. The attacks came because, according to cabinet members.

planning and selection procedures normally required for projects of this size. However, leading members

Mr Montree Pongpanit, the Transport and Communica-tions Minister, had acted improperly in approving the project without consulting the National Economic and Social Development Board or the Cab-

descended on the coalition following a war of words in which various leading members traded accusations of impropri-

ety.
The CP-BT consortium,

which has agreed to pay the Telephone Organisation 16 per cent of revenues from Bangkok and 22 per cent from the provinces, was selected over Toy-omenka of Japan.

Two weeks ago, when Mr Montree simply notified the row broke out, worsening squabbles that had previously focused partly on other pro-jects, including an elevated urban railway and new oil refi-

Final approval for oil refinery plans likely

By Paul Taylor, Asia Business Correspondent, in Bangkok

Altogether, 64 per cent of risk insurance business. This

THAILAND'S government restrictions over the siting of appears set finally to approve plans for two new oil refineries plans for two new oil refineries to meet soaring domestic demand. The move will end an embarrassing cabinet dispute over proposals by both Shell Oil and Caltex to build new facilities.

The powerful National Energy Policy Committee, which is headed by Mr Chailchai Choonhaven, the prime minister, is understood to have

minister, is understood to have recommended an easing in

new refineries.

The decision should end a three-month delay in cabinet approval being obtained for Shell's wholly-owned That subsidiary to build and jointly operate Thailand's fourth refinery a Beht 18th (2000) and nery, a Baht 18bn (£380m) project with a 145,000-barrel-a-day (b/d) capacity, at Mab Ta Pud on Thailand's eastern sea-

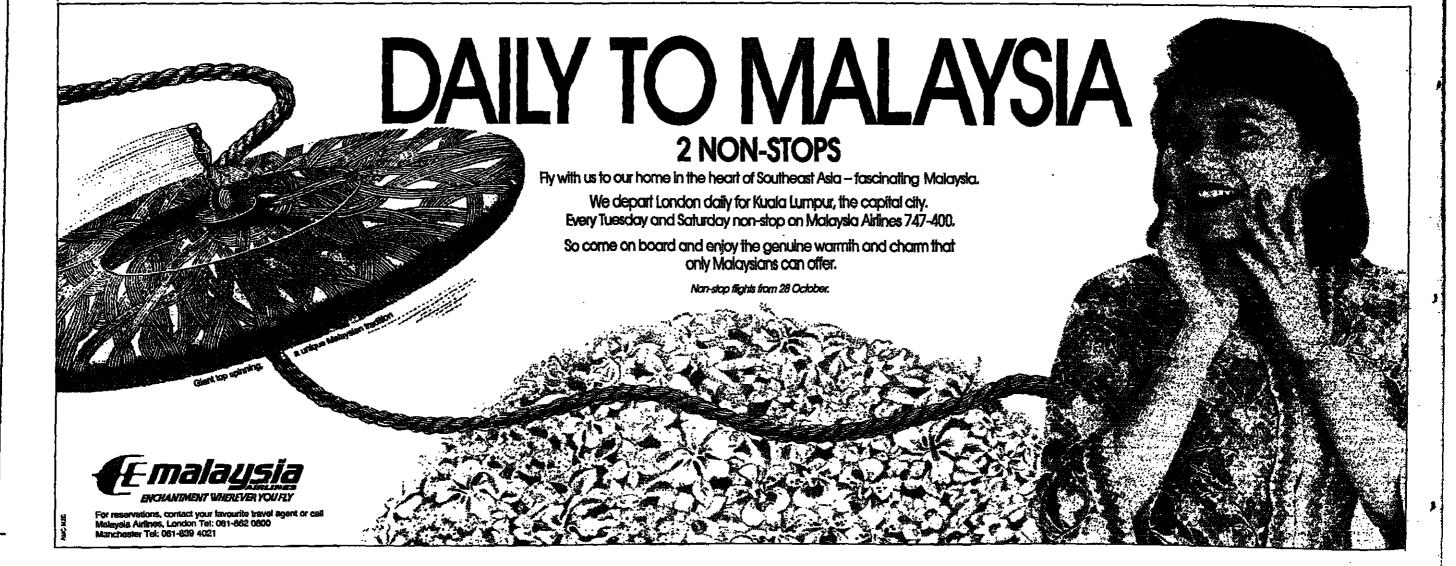
board. By proposing that oil compa-nies should have greater free-

The move will end an embarrassing cabinet row over proposals by Shell Oil and Caltex to

build new facilities

dom in siting their facilities, the committee appears to have engineered a face-saving com-promise which will allow Shell's rival, the US-based Cal-

tex, to go ahead with plans for a fifth refinery with a 120,000b/ d capacity, also at Mab Ta Pud. Caltex had lobbied against its original contract which specified that its refinery should be sited in the less-commercially favourable south. mercially involutable south. The compromise also appears to remove a possible source of friction for the That prime minister when he meets Mrs Margaret Thatcher, UK prime minister, during a visit to Britain next week.



INTERNATIONAL NEWS

Earthquake still takes its toll

Scheherazade Daneshkhu on why the relief programmes to rebuild Iran's devastated towns and villages are making slow progress

T is now over three months since a devastating earthquake hit the fertile areas of north western Iran, killing an estimated 85,000 people and destroying or damag-

TSDAY OCTOR

ing 120,000 homes.

The effort needed to rebuild an area, which itself took well over 40 years to develop, is a huge and daunting one. But the government is undecided about whether it should rebuild towns and villages in an area where tremors are still felt almost daily or to relocate in safer spots within the region. Consequently, little rebuilding has taken place to

Instead, the government has concentrated on short-term relief for homeless families. The Iranian Red Crescent Organisation has set up some 5,000 prefabricated units, measuring about three metres by four metres in the two largest treams bit by the earthquake towns hit by the earthquake, Roudbar and Manjil Another 1,000 homes wooden houses, more resistant to tremors than mud-based houses, or even steel and concrete, have also

D change

कर करने बन्नान प्रमुख्य जन दश्यात के कि क्षेत्रीय जन्म दम्म (क्षण क्षणीय

that there are then

And the parties of th

(ii) Cambrall

The control of the co

25. 1 LP; Ret State

vork de

क^{्र}े के देख क्लाई है? The Charles ்ச் இநாள்கிக்

a president Marchael Physics 25

大きな (神経) 100円の日本

The state of the s

)lans lik

ACT TO BE SHOW THE

been built.

But these are a drop in the ocean. Tens-of thousands of people are sheltering under small tents and are already beginning to feel the cold at night. Men and women who have lost everything now face a new danger - that of a fast-approaching winter which plunges temperatures below freezing point in the mountainous areas worst affected by the earthquake.

Many people - it is impossi-

Many people – it is impossi-ble to estimate exact numbers - left the region in the first weeks for other towns, includ-ing the overcrowded capital, Tehran. There, the lucky moved in with relatives while others have been sheltering in school compounds. Now that the school year has started, however, it is unclear where

they will go.

Gilan province, where the earthquake struck, is mountainous with olive lined valleys leading down to rice-growing plains. The epicentre of the earthquake was not in the Caspian Sea as first reported, but at a windswent town celled at a windswept town called Manjii now completely devas-tated and depopulated Manjil, a trading centre which also housed military installations



and acted as the service centre for one of the largest of the country's 16 dams, is situated on the Sefid Rud river between the towns of Rasht and Qazvin Fortunately, the earthquake did not cause the dam to burst, but it has been damaged. A team of French engineers is now in Iran to inspect it. The damage, which is feared to have struck at its foundations, may mean that the dam will

have to be emptied, a process which now appears to be taking place.

The agricultural significance of this measure will be felt in economic terms next year. The dam, irrigates the largest area of land in the country, some 240,000 hectares, which is over twice the size of the next largest area of irrigated land. If it is put out of action, the country's major rice-growing area will no longer be able to produce its crop.

Irrigated land accounts for arms of part counts for arms of part counts for arms of part counts for arms.

some 86 per cent of Iran's arable food production and it was the intensive land cultivation in the area that attracted a steady flow of migrants from other parts of the country in the late 1960s and 70s to make this a densely populated region. Rice is the staple food but poor agricultural performance, dating from the Shah's regime means that Iran spends up to one-third of its foreign

exchange on food.

Another economic blow has been the destruction of the hydro-electric power-generator served by the Sefid Rud dam. The plant, which generated 85 MW of electricity per day was knocked out of the national



Homeless children try pants on from a pile of clothes donated through Red Crescent at a tent camp near Rasht

grid the day of the earthquake. Iran has suffered from a shortage of power since well before the revolution, hampering industrial productivity and resulting in twice daily power cuts in Tehran. Output is 8,160MW a year but needs to be at least 10,000MW and maybe as much as 15,000MW to cope as much as 15,000MW to cope

HE Deputy Minister of the Construction Cru-sade said that 1,200km of rural roads had been reopened or reconstructed within a month of the earthquake. In the short-term, however,

the decision on whether to rebuild this region needs to be taken soon for the sake of its inhabitants. One visitor to the area said the task is far greater than that of building afresh, since what remains has to be pulled down and the rubble cleared - both major operations - before building can start. For this, Iran needs earth-

clearing equipment and con-struction materials such as iron, steel and cement. Its foreign exchange earnings have increased significantly with the rise in the price of oil but the government puts the cost of reconstruction of the affected areas at 200bn rials

(\$2.9bn at the official exchange rate of 70 rials to the dollar, \$250m at the government rate of 800 rials for essential imports). Reconstruction here is a quite separate project from the rebuilding of the war-dev-astated regions of the south

The Iranian Red Crescent Organisation says that it has collected 20bn rials in donations inside the country and \$4.5m in cash from abroad. The foreign community has contributed a further \$2m in the form of goods through some of goods. form of goods, though some of these include medicines sup-

these include medicines sup-plied after their sell-by date.

The largest contributors have been from the Middle East region itself with ironi-cally, Kuwait, giving the most foreign assistance followed by the UAE, Saudi Arahia (with which Iran has no diplomatic relations) and Pakistan relations) and Pakistan.
Of the major European countries, the Red Crescent says

that West Germany has given the most and the UK, the least. The government is not altering its five-year plan to reallocate resources though it may ask the World Bank for a loan. It is clear that foreign assis in is clear than foreign assistance, which is warmly welcomed, will still play a crucial part towards the reconstruction of the area.

The language of international business isn't English... it's the language of your customer. Prepare for 1992 now. Communicate in your customer's language and call Berlitz today on:-071-580 6482 London

021-643 4334 031-226 7198

061-228 3607 0532-435536

FAST AND EFFECTIVE Courses are tailor-made to meet the particular needs and schedules of both you and your company.

Birmingham

Edinburgh

Manchester

AN ATTRACTIVE OFFER YOU CAN SLEEP, EAT, DRINK AND GO OUT ON.



The companies who rear unfurnished residential accommodation at the Barbican certainly have a choice of ways to exhibit at the beauty of living in the heart of the City – you're simply most for choice.

So, whether your particular tasse is in Chinatowe, Theatreland or a relaxing night at home, be sure you're aware of just what we're offering, Call the Barbican Estate Office on 071-588 8110 or 071-528 4372.

Rents from £7,565 ps to £14,440 ps.

BARBICAN

GERMANY The Financial Times proposes to publish this survey on:

29 OCTOBER 1990 For a full editorial synopsis and advertisement details, please

> **EDWARD HUGO** on 069-75980 or write to him at:

Guiollettstrasse 54. D-6000 Frankfurt am Main 1 Fax Germany (069) 722677

LIZ VAUGHAN on 071-873 3472 One Number, Southwark Bridge London SE1 9HL Fax:071 873 3079

FINANCIAL TIMES

PRIVATISATION IN GREECE INVITATION TO PARTICIPATE

in accordance with the Greek Government's decision to transfer a number of State-controlled companies to the private sector, the Industrial Reconstruction Organisation (IRO) intends to sell its majority holdings in KAVALA PLASTICS S.A. MEL MACEDONIAN PAPERMILLS and MINION S.A. to inscreased investors. BANK OF AMERICA and ALPHA FINANCE A.E. have been exclusively mandated by the IRO to identify potential purchasors for the above-mentioned shareholdings

THE COMPANIES

L KAVALA PLASTICS S.A.

Established in 1973, the company is a producer and distributor of rigid and flexible PVC products (pipe fittings, compounds and polyethylene (PE) films. In 1989 total sales were US\$ 15 million and gross profits US\$ 2.7 million.

b. MEL MACEDONIAN PAPERMILLS S.A.

Established in 1964, the company is a producer and distributor of cartonboard (200-500 gr.). In 1989 total sales were USS 18.2 million and gross profits US\$ 1.05 million.

The largest and most complete department store in Greece with total space of 32,600 sq. m. and projected 1990 net sales of USS 65 million approximately.

For the Offering Memoranda as well as further information on the proposed sale procedure and timetable, interested investors

For Companies (a) and (b):

Bank of America International Ltd. Bank of America - Athens Corporate Finance Dept. M & A Department 25 Cannon Street 39 Panepistimiou Street London EC4P 4HN, England.

Tel: (44) (71) 6344582 Fax: (44)(71) 6344983

105 64 Athens, Greece Tel: (01) 325 1901 Fax: (01) 324 1936

For Company (c): Alpha Finance A.E. 5, Merlin Street 106 71 Athens, Greece

Tel: (01) 364 6186 or 190 Fax: (01) 360 4040

FLY SAFELY WITH THE LARGEST AND YOUNGEST FLEET OF FULLY OWNED LICENSED BUSINESS JETS. ALG AEROLEASING Geneva: (022)798 45 10 Zürich :(01) 814 37 00 GENEVA - ZURICH - MEAN - KINSHASA - SUNGAPORE





From behind the wheel of an XI-S V12 Coupe, the world looks an altogether more secure place.

A shrewd investment renowned for effortless performance. The world's most elegant Sports Coupe is more than equal to rival models of similar specifica tion costing almost twice as much.

From a track proven 5.3 litre V12 engine that rapidly nudges the speed limit. with the promise of much, much more where conditions and legislation allow. Performance efficiently handled at

every turn by its own uniquely designed anti-lock braking system with built-in anti-yaw control. Together with anti-dive independent suspension, here is a car designed from the start comfortably in its stride.

Inside, further restraint is inmediately apparent in the subtle use of polished walnut veneers and selected

sophisticated in-car entertainment are standard. As well as other luxuries most costly extras.

Today, the Jaguar XJ-SV12 Coupe places in your hands a perfect balance of race bred power, precise handling and value for money that will comfortably keep pace with the economy, as well as your most stringent driving demands.

OUP

Fears grow of property price slump in Japan

By Stefan Wagstyl in Tokyo

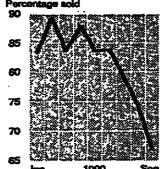
A LEADING indicator of the state of health of the Japa-nese property market fell last month for the third month in a row, increasing fears of a deepening slump in real

estate prices.

Of the new apartments on sale in Tokyo last month, only 67.1 per cent were sold, 11.9 percentage points less than in September 1989, according to the Real Estate Economic Institute. The ratio fluctuates seasonally, but is normally above 80 per cent in September, a peak month for homeber, a peak month for home-buying. The last time the fig-ure fell below 70 per cent was in September 1984. In Osaka, where the insti-

tute has been gathering data for only a year, the sales/of-fers ratio also fell - to 64.3

Tokyo new flat sales



per cent, down from 82.3 per cent in August. The lowest figure for Osaka was 54.1 per

cent in January 1989. Officials at the institute forecast further declines in the months ahead. This could foreshadow a long-lasting slow-down in the market for new flats, a key element in the residential housing mar-

Mr Tom Hill, property analyst at S.G. Warburg, the UK securities company, said sales would continue to fall for the would continue to lail for the rest of the year. Prices had to fall to levels where people could afford to buy. He esti-mated prices of flats, as of land, had to fall about 20 per cent over the next two years. Flat prices had already declined 6-7 per cent from their peaks earlier this year, he said.

There is mounting concern about the effect on heavilyborrowed property companies of a combination of falling prices and rising interest

Itoman, a publicly-quoted

Osaka trading company, this week denied that it is in difficulties servicing its Y1,300bn (£5bn) of consolidated debt. Yesterday, the bankruptcy of Ikeda, a small privately-owned Tokyo property com-pany, which owed just ¥4.5bn was reported in Nihon Keizai Shimbun, Japan's leading Shimbun, Japan's leading business daily. The bank-rupicy was in itself unexceptional – since a handful of property companies fails every month – but the prominence of the report indicates the growing concern in Tokyo that such bankruptcies will increase rapidly in future.

increase rapidly in future. Bank lending to property controlled since March this year, with banks obliged to keep the rate of increase in property loans to the same rate as the overall increase in lending. Mr Tatsuya Tamura, director of the credit and market management department of the Bank of Japan, said yesterday: "Banks are getting more cautious about the property market."

That is almost certainly are understatement. But the loans which banks are most worried about are not those made in the last six months when signs of weakness in the market were already apparent, but those made at the market's height.

The companies most at risk are not the largest groups. With their large land holdings acquired years ago and steady stream of rental income, Mitsubishi Real Estate, and others have a large buffer both of assets and cash flow. It is companies which are heavilyborrowed and rely greatly on property sales not rents which are under the greatest

Violent social unrest disturbs a land of conformity

Robert Thomson reports from Osaka, scene of bloody protest by Japan's outcast day workers

ARLY yesterday, the day-la-bourer district of Osaka had returned to normal Grubby, shoeless men slept in doorways, using strips of cardboard as blankets, and a few drunks prodded the beer vending machines still standing after the vio-

lence of the past week.

Japan's economic miracle has not blessed the men of Nishinari district, who led the bloody protests against police that became the most serious abour unrest the country has seen in

two decades. The local police station was attacked The local police station was attacked night after night, dozens of cars were set ahlaze, and about 200 people were injured. News of the violence lured other fringe groups, the left and right wing radicals, and the young thugs known as motobosozoku, and even high school students, some wearing the high-collared tunic often seen as a symbol of Japanese conformity.

With the calm has come a return to the frustrating routine of the 30,000 day-labourers in the district, a routine matched in the Tokyo suburb of Sanya, another down-and-out area not

marched in the Tokyo suburb of Sanya, another down-end-out area not on the middle-class map. There are no blue suits or company badges on the lapel in Nishinari or Sanya. At around five each morning, Nishi-

nari's day-labour market opens in a concrete building resembling a large, unclean car park. There is a dried out fountain, a relic of a past attempt to beautify the area, and noodle stands for those who have money in pocket at the start of the working day. Hacking coughs and deep clearings

of the throat compete against the shouts of a left-wing group urging the men to rise up against their oppressors. The job offers are plastered on the windscreens of vans and trucks that take the men, mostly in their 50s, to the small factories or construction sites that need their labour.

Japan's strong economy and a

national labour shortage means there



plenty of work. According to the windscreen offers, a day's work clear-ing land will earn a man Y11,000 (242) and a place on a production line Y11,500, while a few technical skills could bring in Y14,500 at a small

machine tool factory.

But as they scan the windscreens each morning, the labourers are reminded of the power of the yakuzu, or gangsters. Many of the job touts have the tightly curied hair, the "pinch perm", that is the trademark of a gang member.

A Catholic social worker explained that the police and the values domi-

A Catholic social worker explained that the police and the yakuza dominate the lives of the day labourers. The police tend not to mind the gang role in Nishinari because the average

CHINA'S hardline leadership

ment and féwer dévélonment

projects in the five years begin-

Japanese is unaffected and, the recent riots aside, the yakuza bring a certain social order to the otherwise disor-derly fringe dwellers.

"In the morning, the labourer arrives at the job market and sees the arrives at the job market and sees the yakuza, who take commissions from companies to get labour. Then, after work, the men want some pleasure. They play maliong or pachinko (Japanese pinhall) or drink in a bar, and all that is run by the yakuza," the social worker said.

"Then, the labourers lose money gambling at the yakuza's parlours, so they have to horrow from the loan.

they have to borrow from the loan shops you can see here. They are run y the yakuza."

Yet police admit that they have had a long and often harmonious relation-

ship with the yakura groups his de and outside Nishinari. The sansi nationally, earned at estimated 1.500m last year, and their membership was reckoned to be 37,000.

Given these traditional police gang ites, it is understandable that a day in bourer threatened by a valura loan shark is unlikely to turn to the Nishinari is also a heacan for him workers, particularly from southeast Asia and and Smith Korea, him they often have stronger support per works than the down end out laps ness. There is an Asian, workers support of item in Osaka, and a strong easier of identity among national groups while the Japanese are outsides in their own society.

while the Japanese are outsides in their own society.

Their plight has drawn the attention and generosity of religious welfare groups, while some left wing activistics the men as the parfect symbol of oppression, and would like to make them the vanguard of the Day Labourus Association, a tapeatry shows Mao Zedong in contemplation, and isaganent to portraits of Lenia and Marz. On another wall, there are postraits of the "martyrs" of pest campalgue - an activist killed by a bulldoser and another shot by the yakuza - and the slogan: "From here on, what must be

slogan: "From here on, what must be

alogan: "From here on, what must be done."

The office is just around the corner from the besieged police station, and is obvious to all, but it takes a few furtive phone calls to draw out the leader, is so. Hashino, who claims to have been arrested II times and that he is on a yakuza hit list.

"People here have very hard lives. The greatest problem is the people who are too old or toe sick to work. If you are too old or the sick to work if you don't have the money to pay for a night in a hostel, then you have to spend the night on the streets. Then, if you are capable, you fry in get work the next day, and so on," Mr Hashino said.

Taiwan reserves replenished

TAIWAN'S foreign exchange reserves are set to top \$70hm (£35.5bn) again following a three-year low of \$63.6bn in June, reports Peter Wickenden. A record \$8.8bn left the island in the first half of the year as the stock market plummeted and social disorder affected

Mr Samuel Hsieh, central bank governor said on Monday that capital had been return-ing since July as investors took money out of other Aslan regional mutual funds.

"We cannot develop blindly," Li said. "We do not want to

yesterday outlined cautious seek over-rapid growth."

A new five year plan, beginning 1991, is to be finalised at a plenary session of the ruling Communist Party's central committee, possibly next month. Last August, Li said China was aiming at average growth of 5.5 per cent in 6 per new economic plans for the next live years, Reuter reports from Peking. Diplomats noted that this signalled a further retreat from the bold reforms of the middle 1980s, already on hold for the last two years. Li Peng, the Chinese pre-mier, called in a lengthy speech, published in the offi-cial People's Daily newspaper,

growth of 5.5 per cent to 6 per cent over the five years.

While Li's latest speech pledged to continue China's opening to the outside world, it made no mention of price reforms, the ambitious policy

of stimulating production by

Peking leadership outlines cautious economic package

freeing prices.
Nor did Li refer to changes in ownership of inefficient state industries or the prospect of bankruptcy — policies that emerged from the reform programme begun in 1978. These policies, abandoned after mas-sive inflation in 1988, were unacceptable to the hardline ideologues in control since the acre in Peking in summer

1989. On the contrary, he indicated that the government would continue subsidies for

these industries subsidies that now eat up one third of the national budget.

Li pledged fewer his development projects over the next five years. The exception is shanghed, which plans a multipliften dollar development of snangon, which plans a minis-billion dollar development of its Pudong district that will absorb much of the money China has for development.

O China says it will overhand at line management and safety regulations in the wake of last week's bijacking and three aircraft plie-up in the southern city of Canton, Peter Ellingson

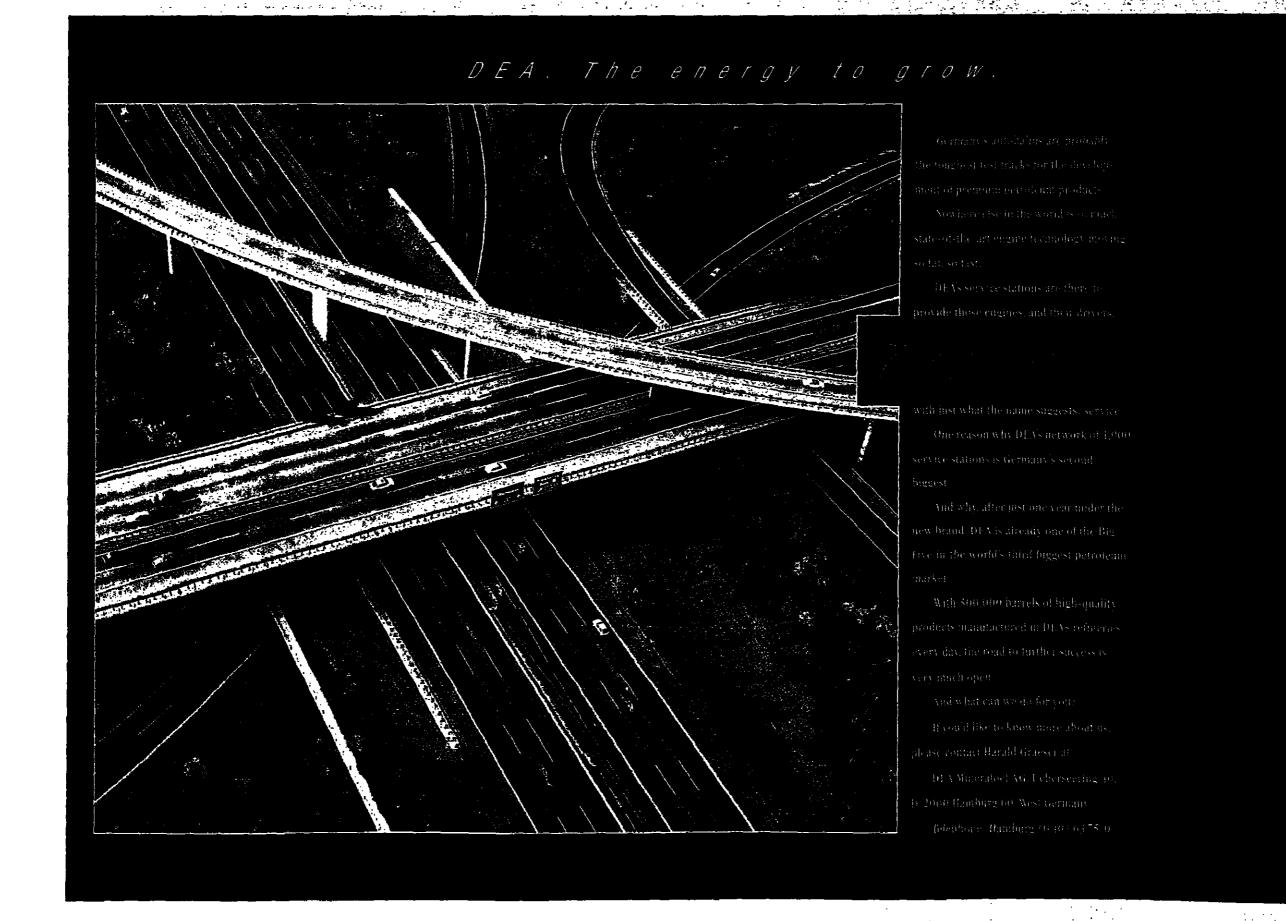
police officer in charge of investigating the gangs would be charged with having received T3 m in bribes from the yakma was the inspiration for the Nishinari riots. Some 2,000 police were called in, and there were fears that the arrival of other Japanese fringe groups could stoke the protests. But the Japanese press suddenly stopped reporting the violence, and word spread around the district that the police and the yakma had done a deal. The gangsters would use their infinence to calm the simution, while the police would let the gang members return to hustness as usual Police say the rumours are unfounded.

writes from Paking. The accident left 127 passengers dead, and several deach others injured.

and several dozen others injured.

The Civil Aviation Authority of China, yesterday conceded there were management "problems" that warranted a shake-up of the company and at Klamen airport, where the hijacker boarded with explosives taped to his body.

Diplomats say airline policy has been to resist hijackers a claim supported by retent strempts ending in crews subdueing attackers.



INTERNATIONAL NEWS

Saddam's 'new' missile puzzles experts

By David White, Defence Correspondent

WESTERN missile experts were puzzled by President Sad-dam Husseln's announcement yesterday of a new weapon capable of attacking Israel. But they emphasised that Iraq already had bellistic missiles

with sufficient range.
It was not clear whether the Al-Hijara, meaning "the stones," was in fact a new weapon or a new name for a

weapon or a new name for a system already in existence.

Mr Saddam told the Israelis yesterday they had no choice but to leave Arab lands and warned that iraq had a powerful new missile which would strike "when the time of reckoming comes". His comments followed the deaths of 19 Palestinlans by Israeli police in Jarusalem on Monday.

The choice of name was evidently intended to link the weapon to Palestinian protests.

Mr Saddam said Iraq had many of the missiles, with a range of hundreds of kilometres. Some experts said this suggested one of Iraq's enhanced versions of the

coffice is an amade in the feeling of the feeling o

The the most play

Telf, then the least

and so on the last

bether from Pathers dent and the pathers and several dest

The Coul Aries

in Com peter

there were many

a 145 (1) cf the car a grane the s

was t mand to 2. 1 1000 印序塔

To and a second the fren to reside state supported fr

Afternats ending has GEIN MARKE

Soviet SS-1 Scard.
One of these, the Al-Hussyn, with a smaller warhead than the Scud but double the Soviet the Scud but double the Soviet missile's 300km range, was used in the Tran-Iraq war. According to the International Institute for Strategic Studies, Iraq has deployed at least six Al-Husayn launchers in its western desert region, within reach of targets throughout Syria and much of Israel kaq has also deployed a 900km has also deployed a 900km range derivative, the Al-Abbas, test-launched in early 1988.

Last December, Baghdad said it had successfully launched a three-stage rocket capable of putting satellites into space. It is thought a mis-sile version would have a range of 2,000km.

range of 2,000km.

A collaborative project based on the Argentine Condor 2 programme, with a planned range of up to 1,600km, was stalled after Egyptian withdrawal and a clampdown on assistance from western companies. But the bragis are thought to be keen to appropriate the project's solid fuel technology. Their Scud-based missiles use liquid propellant.

Opinion is divided as to

Opinion is divided as to whether kraq has chemical warheads for longer-range Scud derivatives. Some Scud launchers are believed to have been moved to the Basra region near Kuwait.

Brazilians leave Iraq

THE LAST group of 82 Brazilians arrived in Brazilia from Baghdad on Monday, completing the country's evac-ustion of all 500 of its citizens in Iraq, Reuter reports from Brasilia.

Mr Paulo Tarso Flecha de Lima, Brazil's ambassador to London, headed a diplomatic mission to Iraq 23 days ago to negotiate exit wisas. The last group obtained visas on Sun-day and travelled on a chartered Iraqi Airways flight authorised by the commission of the United Nations that had ordered the Iraq air blockade. The 82 Brazilians are

employees of Mendes Junior, the construction company, which spent \$600,000 (2305,000) on evacuating 255 people in two chartered jets. The foreign ministry said 11 Brazilians had volunteered to remain in Iraq to maintain the company's

Boarded ships came from Yemen, Jordan

The two cargo ships boarded by international forces block-ading Iraq on Monday had salled from Jordan and Yemen, western diplomats said yesterday, Reuter reports from

The 3,672-ton Tadmur and the al-Washti, both under fragi flag, were intercepted on Mon-day by western ships enforcing the United Nations trade argo imposed on August 6.



Thousands of Palestinians march at the Raqa refugee camp in Amman yesterday after the killing of 19 on Jerusalem's Temple Mount by Israeli forces

Gulf decision nears for Bush

Peter Riddell, US Editor, on the mood in Washington

HE US budget crisis has distracted attention from the Gulf in Washington over the past two weeks, but it is only a temporary bull.

The Gulf crisis no longer automati-cally dominates, or even appears, on the front pages of the main US newspapers. The policy of isolating Iraq by diplomatic and economic means is set; the military build-up - 204,000 US forces personnel in the region - is nearly complete. It is now a matter of

But the tempo can easily accelerate as this week's events in Israel have shown. At his White House press conference yesterday President George Bush was at pains to counter Iraq's attempt to link the killings of the Palestinians in Jerusalem to the Kuwait question. In a statement as much of hope as of prediction, he did not think the latest flare-up would endanger the Arab coalition against Iraq. The involvement of Israel is just what Washington fears. So no wonder Mr Bush yesterday urged the Israeli security forces to be better prepared

and to act "with greater restraint".

The other potential pressure for action is what the US has described as "the systematic destruction" of Kuwait by the Iragis. Mr Bush admit-ted this was "a new equation in the last three weeks that concerns us enormously" – and he said his patience was "wearing very thin on

Yet even if external events do not force a decision, at some stage President Bush will have to decide whether sanctions are working or whether the

alternative of military action has to

be ordered. Mr Bush does not have a precise timetable. There is no reason to doubt that he is sincere in hoping that sanc-tions will work. Central Intelligence Agency estimates supplied daily to him - reinforced apparently by Soviet intelligence help - suggest that evasion of sanctions exists but is not substantial. They point, however imprecisely, to increasing economic problems within Iraq, such as short-ages and higher prices, but that is a long way from saying that tightening sanctions will force President Saddam Hussein to withdraw from Kuwait. The view in Washington is that it will not be possible to reach an assess-ment until at least early December.

Then, if Mr Bush judges that sanctions are not working sufficiently, the US recognises that it will have to consult before taking further action. Aside from Iraqi aggression requiring an immediate armed response, President Bush and his advisers accept the need to prepare both an international and domestic consensus. Military action would then be presented as a regretta-ble but inescapable last resort. This consensus does not exist now.

Congressional leaders, in last week providing overwhelming backing for Mr Bush's handling of the crisis so far, specifically warned that this was not a blank cheque for military action. Leaders of both parties urged the need for more patience in seeing

The problem is that Congress is

likely to be in recess when any decision on further action is taken. There have already been informal discussions with chairmen of key commit-tees about future options, including the use of force.

The present lull has also provided time for a debate about the consequences of military action. US officials believe that such a war could be won. Even if they are highly sceptical about the advocates of strategic air power, they believe the Iraqi air force could be neutralised quickly and the problem would be a prolonged battle with its large and heavily armoured

ground forces.

Although among some policymakers there is almost a fatalistic feeling that war cannot be avoided, there is understandable apprehension about the possibility of tens of thousands of US casualties as well as fears that the whole of the Middle East, including Israel, will be caught up in any con-

Moreover, the polls show a wide-spread view that the US itself is hav-ing to bear too much of the burden, and risks, on behalf of European, Japanese and Arab allies. Even so inter-nationalist a newspaper as the New York Times has argued this week that Washington should demand much more from the allies, which should deploy more forces and contribute more financially.

The limitations of President Bush's ability to convince the American peo-ple have been shown by the budget flasco of the past week. He will have to be more persuasive if he is to win support for eventual military action.

Bhutto attacks president

MS Benazir Bhutto, the former Pakistani prime minister, yesterday accused Pakistan's president of "naked aggression" against the judiciary and said he had acted like a martial law administrator, Reuter reports from Lahore.

She said the dismissal of two udges showed President Ghulam Ishaq Khan was determined to bring the Judiciary into line. She was speaking shortly after appearing before a special court in Labore. Since dismissing Ms Bhutto on August 6 and ordering elec-tions, Mr Ishaq Khan has con-firmed several acting judges but sacked two the most recent an acting supreme court jus-tice on Monday.

Ms Shutto attacked the 75. year-old head of state as "a stubborn old man" and said she regarded him as ber main opponent in the national elec-tions due on October 24.

Last week he attacked "fas-cist tendencies" in her Pakistan People's Purty after violent scenes at the Labore High Court when she was first due

to appear.
This time the police took no chances. Hundreds of officers wearing rlot gear set up a secu-rity cordon several hundred yards from the colonial court complex and stood shoulder to shoulder around its interior

Manageable setback for Gulf economies

By Victor Mallet in Dhahran

IRAQ'S invasion of Kuwait has been a "severe but man-ageable" setback for domestic markets, private businesses and banks in the Gulf after encouraging signs of economic strength in the first half of the year, according to a report published today.

Dr Henry Azzam, Chief Economist at the Bahrainhased Gulf International Bank (GIB), predicts in his latest report that there will be very little new private sector investment in the region until the Gulf crists is resolved. "Several joint venture pro-jects scheduled to begin in 1991 may now be delayed pending a lasting solution," says Dr Amam. "It may take much longer to revive foreign investment participation, and Gulf governments will have

to step in to fill the gap left by private and foreign The report paints a gloomy picture for non-oil activities such as construction and ser-vices, which had been regaining momentum after the 1988

ceasefire ending the Gulf war between Iran and Iraq. Governments, profiting from Governments, profiting from higher oil revenues, will have to spearhead economic develent as they did in the 1970s, but much of their attention will focus on de

On the brighter side, Dr Azzam writes: There is money to be made from every aspect of the crisis, whether from additional defence spend-ing or reconstruction related activities." He acknowledges that the region's banks, particularly the offshore banking units (OBUs) in Bahrain such as GIB, have been hurt by cap-ital flight to safe havens such as London, New York and Switzerland.

"Bahrain's prospects as an offshore banking centre have been affected," he says. "Some international banks may scale down operations or leave the island but economic activities in Bahrain and the region will not come to a standstill."

Private sector deposits transferred abroad from the Gulf ranged from 10 to 30 per cent depending on the country, the report says, but Gulf gov-ernments injected deposits, probably leaving the average net decrease at not more than 10 per cent. Local bank depos-its of the United Arab Emirates anthorities are 50 per cent

THE SECRET OF YOUR SUCCESS

lugged into the mains in Liverpool or utilizing the battery pack in Lhasa, the life of a travel writer is unpredictable to say the least. For instance, sharing a room with a dozen varieties of cockroach, whilst waxing lyrical about the finer points of Tibetan cuisine, is not always the easiest way to earn a living!

It is fortunate, therefore, that there is a travel companion on hand that will always be there to help out. Turn on the Tandy 1100 FD and you can start writing memos, articles and reports in seconds. And weighing just 2.9kg with dimensions of only 345 x 70 x 250mm you can take it almost anywhere. Features include large 80 x 25 LCD display, 640K RAM, 31/2" disk drive and DeskMate software built-in. Not only is it easy to edit your work, but the 90,000 word spell checker will then proof read it for you!

The Tandy 1100 FD - a portable computer that will share the workload without stealing the headlines!

For further information FILL IN THE COUPON BELOW or

DIAL 100 AND ASK FOR FREEPHONE TANDY COMPUTERS.

Tandy 1100 FD. £799.00 Excluding VAT VAT at 15% to be added to the above price

Report accuses Malawi of human rights abuses

By Michael Holman, Africa Editor

THE government of Malawi, the fourth largest recipient of British aid to sub-Saharan Africa, has been accused of Africa, has been accused of "gross human rights abuse" in a report to be published today. The 116-page account of "systematic suppression of dissent" has been compiled by Africa Watch, the London-based organisation which monitors human rights on the continent.

The report challenges Mr Douglas Hund, the British foreign secretary, to put his promise to link aid with "good governance" into practice, Last. June Mr Hurd warned that "governments who persist with repressive policies, with corrupt management, or with wasteful and discredited economic systems should not

expect us to support their folly with scarce sid resources. The Africa Watch report, which claims that the government uses torture and has assassinated opponents real or imagined inside and outside Malawi, says: "Malawi fails this test on all counts except perhaps its adherence to mar-ket principles.

Mr Hurd again referred last week to linkage between aid and human rights. "Poverty does not justify torture, tyranny or economic incompe-

Malawl, ruled as a personal fieldom since independence in 1964 by Dr Hastings Kamuzu Banda, president for life, received 545m in British aid



At Tandy, we don't just sell technology, we also show you how to use it. Our Business Point Stores and Dealers provide friendly and professional advice on all aspects of computer use.

For further information on the	Tandy 1100 FD, send to Tandy Computers, Int	terTAN U.K. Ltd., Leamore Lane, Walsall. WS2 7PS	
Name		Position	
Company			
Address			
Post Code	Tel:	Please arrange a demonstration	FT 10/90

InterTAN U.K. Ltd., Tandy Centre, Leamore Lane



Problem Solved

Kevlar* and Nomex*: Helping to increase motor racing safety.

It's quite normal for Formula One racing cars and even rally cars to reach 200 km/h and sometimes well over 300 km/h. Clearly, the smallest technical defect or driver error at such speeds can have serious consequences, which makes driver protection and safety crucial.

Racing drivers know this. They wear helmets reinforced with KEVLAR and protective overalls made from flame-resistant NOMEX III.

Such precautions have already saved many a driver's life. Press reports suggest, for example, that this is the case with former world champion driver Niki Lauda, as well as Nelson Piquet and Gerhard Berger.

Nomex III - The superior flame-

resistant formulation.
In motor racing, spectacular accidents are, unfortunately, all too frequent. And if a car catches fire, a few seconds can make the difference between life and death.
A protective garment made from NOMEX III can save a life in this sudden, critical situation. This heat- and flame-resistant fabric provides protection against fire for an exceptionally long period.

NOMEX III is a blend of NOMEX metaaramid and KEVLAR para-aramid developed by Du Pont. It has proven advantages over other heat- and flame-resistant textiles. This is mainly because the woven material does not break open even when exposed to flame, so that the skin is not directly exposed to the fire.

Du Pont has subjected NOMEX III to numerous tests which confirm its exceptional protective properties. A special manikin developed by Du Pont, known as the "Thermo-man", is one of these. It is 1.85 metres tall and has 122 sensors distributed over its entire surface to register temperature, quantifying pain thresholds and the critical point when burns first occur. The results have provided invaluable information for the development of safer protective clothing.



MOMEX III mader text on the "Thermo-must

Critical protective clothing applications.

Firemen, policemen and industrial workers can all find themselves in potentially dangerous situations. Garments of



NOMEX lil can be developed to provide the degree of protection required for different risk situations. And with a special advantage: material made from this patented fibre blend is as much as 40% lighter than flame-retardant cotton for the same protective performance. In addition, NOMEX III is resistant to most chemicals and does not melt.

What's more, a protective garment made from NOMEX III is a good investment for another reason – its protective properties are permanent, even after



Italian firemen weer cluthing of HOMEX (A

long periods of wear and repeated washing. It will last about six times as long as a garment of flame-retardant cotton.

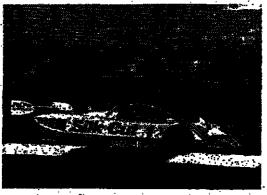
This is why public authorities and organisations are relying increasingly on clothing made from NOMEX III. In the U.K. the majority of professional firemen are equipped with NOMEX III. So are an increasing number in Germany. In Italy, all 25,000 members of the national fire service are equipped with protective garments made from NOMEX III.

World raily champion with Keviar, KEVLAR makes many contributions to the increased safety of motor racing. For example, it is used to reinforce helmets, car body components and tyres. A burst tyre at high speed is a nightmare for any driver. Hours of driving combined with repeated heavy braking subject tyres to exceptionally heavy loads. Leading tyre manufacturers have therefore adopted KEVLAR to reinforce their high-speed and other speciality tyres. Tyres reinforced with KEVLAR have numerous advantages: they are lighter. develop less heat and withstand greater loads.

Michelin, Pirelli and Dunlop have been

proof, heat resistant, self-extinguishing, nonmagnetic and electrically non-conductive. And it retains all its useful properties from -40°C to +180°C.

Du Pont is now once again setting standards in fibre technology with the KEVLAR "Hx" Series, which achieves significant performance improvements for specific applications. KEVLAR "Ht" has, for example, higher tensile strength; KEVLAR "Hin" a higher modulus of elasticity; and KEVLAR "Ha" greater adhesion. KEVLAR "Hc" is available in other colours as well as the original yellow, while KEVLAR "Hp" is ideal for optimising performance of sports equipment.



Graup C — World Cops 1987 and 1988 for Jaguer -I therefore, for Dunkey tyres reinforced with KEVLAR as well

Innovative technology means

progress.

KEVLAR and NOMEX are produced by the Engineering Fiber Systems division of Du Pont, which also developed TEFLON*, TYVEK*, TYPAR*, CORDURA* and high-strength Nylon.

From house and home to air and space, these products have opened up new perspectives.

Du Pont is one of the world's leading research-oriented companies, and currently employs more than 17,000 people in Europe alone.

Du Pont de Nemours International S.A. Engineering Fiber Systems, P.O. Box 50, CH-1218 Geneva, Switzerland Bu Pont Engineering Fiber Systems. Bevelop with us,



using KEVLAR for some years with consi-

championships in the past ten years as well

as the 1987, 1988 and 1989 Group C World

The average motorist also benefits from.

Championships were won on tyres reinforced

KEVLAR. Not only in tyres, but also in brake

pads, clutch linings, cylinder head gaskets

and cooling system hoses, KEVLAR enhances

Several years ago, KEVLAR pioneered a new

there been a fibre with so many outstanding

qualities. KEVLAR is light, strong, corrosion-

era in fibre technology. Never before had

derable success: most rally world

with KEVLAR

safety and reliability.

Keviar "Hx" Series -

The second generation.

Brazil reopens bank debt talks

By Simon Fisher in Rio de Janeiro and Stephen Fidier in London

BRAZIL reopens negotiations with creditor banks in New York today for the first time since it suspended payments on the developing world's big-gest foreign debt in June 1989. Brazil has announced unitaterally that the bank advisory committee representing credi-tors at the talks, which is led by Citicorp of the US, would be increased from 16 to 22 mem-

The move, which is expected by some bankers to lead to friction at the start of the talks, is being interpreted as an attempt to dilute the influence of US banks. They have led the campaign to get Brazil to pay accumulated arrears to the banks, now estimated at more than \$8bn (£4.1bn).

The six new members of the committee are all European, three of them French. Yet French banks account for only about 6 per cent of the bank debt, while the Japanese with only two representatives on the committee – are owed about 20 per cent of the debt. Brazil had a total debt of \$112.7bn at the end of 1989,

\$75.2bn of which is owed to private sources, according to the World Bank. It is seeking a substantial debt reduction to secure a definitive solution to its debt problem. It wants terms at least as favourable as those agreed with Mexico and

While the possibility of releasing about \$1bn in over-due payments for private com-pany debt deposited in the cen-tral bank has been left open, Brazil wants the lion's share of public debt arrears to be refin-anced together with future

Mr Jorio Dauster, the chief

debt negotiator, will repeat the message given to generally unsympathetic bankers at the International Monetary Fund/

nity complained of economic

However, the formula would also allow for payments to fall in line with external factors, such as higher oil prices, recession in industrialised countries and a rise in international

day, when a new meeting will be arranged at which banks will reply to the Brazilian pro-

 Brazil yesterday announced
 a 30 per cent salary rise for public employees — including public employees — including civilian, military and retired personnel. The increase, effective from this month, will reduce the Treasury surplus by about NCrz40bn (£280m) a

crisis and the higher price paid for imported oil. After decades in which the international financial commu-

World Bank meeting in Washington two weeks ago, that debt payments must be limited to Brazil's ability to pay. This has been reduced by the Gulf

mismanagement in Brazil, the team will argue that banks cannot now have it both ways: the government's far-reaching liberalisation programme will collapse if payments exceed Brazil's budget surplus. Together with now-familiar

proposals to exchange old debt-for new titles based on reduc-tion of capital or interest, or a combination of both, Mr Daus-ter will present a menu of debtreduction proposals, expected to include a formula whereby payments would increase in line with Brazil's economic recovery.

The talks will run until Fri-

hits Bush ratings

By Sarita Kendali in Bogotá

extradition

stand on

PRESIDENT César Gaviria of Colombia has offered guaran-tees to drug traffickers that they will not face extradition

A trafficker who gives himany subsequent charges, can also earn a reduced sentence. The move, which follows an offer of more lenient sentenc ing to some traffickers last month, makes it possible for one judge to hear all the charges against a self-con-fessed trafficker and, if no sen-tence has been passed, to release him after one year.

The new measure implies a significant softening of extradition policy. None the less, Col-ombian authorities pushed ahead with a carrot-and-stick policy toward the cocaine car-tels by simultaneously announcing the extradition to the US of the 21st suspected drug trafficker in the past 14

Mr Jaime Giraldo, minister of justice, said the changes would help strengthen Colom-bia's judicial system. No impor-tant drug trafficking figure is on trial at present, and the main suspect in the case involving the murder of Liberal presidential candidate Luis Carlos Galan recently walked out of jail wearing a

false beard. Since the kidnap of Mr Francisco Santos, news editor of the Bogota daily newspaper El Tiempo, the government has repeatedly denied rumours of negotiations with the Medellin cartel. A commission of elder statesmen offered to mediate, saying an interchange of ideas seemed more suitable than the use of kidnap as a weapon to pressure the government into dialogue.

Mr Santos, as well as Ms

Diana Turbay, daughter of a former president, and five other journalists are all assumed to be in traffickers'

Bogotá eases | Budget row

By Peter Riddell, US Editor in Washington

PRESIDENT George Bush's approval rating has dropped sharply during the current badget crisis, although American voters; are also critical of Congress.

Two polls yesterday she approval of how Mr Bush dropping to July levels, before the Gulf crists started. But the figures are still positive for

this stage of a presidency.

A Washington Post/ABC

News poll points to a decline
in Mr Bush's approval rating
over the past month from 75 to
65 per cent, the same figure as
in July. A New York Times/
CRS News poll points to a 14 CBS News poll points to a 14 point drop to 62 per cent since mid-August, although his rating had already slipped back to 67 per cent by late Septem-ber. This suggests that

According to the Washing ton Post poll, only 14 per cent of voters blame Mr Bush spe-cifically for the current budget nituation, while 57 per cent blame Congress — split almost evenly between Democrats and

Republicans — and 16 per cent say all are equally to blasse. In the New York Times poll, only 5 per cent single out Mr Bush, 32 per cent cite Con-gress, while 54 per cent blame both equally.

ticism about Congress, but there is no clear m the two parties ahead of the November 6 elections.

Movember 6 elections.

However, in the Washington Post poll some 63 per cent thought there was a greater danger that Republicans would go too far in helping the rich and cutting needed governed than thought rich and cutting needed ernment services than thou the Democrats would go too far in keeping costly govern-

By contrast, only about 38 per cent took the reverse view and regarded Democratic policies as a greater danger.

Latin American leaders to hold two-day summit

By Joe Mann in Caracas

NINE Latin American presidents are scheduled to meet in Venezuela's capital tomorrow for two days of talks under the auspices of the Rio

Group.

The group is an informal that includes consulting body that includes the governments of Argentina, Brazil, Colombia, Mexico, Peru. Uruguay, Venezuela, Ecuador

Mr Carlos Andrés Pérez, Venezuela's president, said two of the main topics would be US President George Bush's Enterprise for the Americas Initia-tive, aimed at expanding trade and investment in the region, and the need for governments

to achieve economic integration among themselves.
The presidents will also examine other economic and political issues affecting Latin America and the Caribbean.

Diplomats organising the Cara-cas conference said there was no formal agenda and that the ders would decide on topics to be considered. .

Three working sessions are scheduled, and the presidents will issue a joint declaration on

Friday evening.
In the past the group has discussed such issues as regional integration and security, controls on the drugs

Friction likely as Privatisation fears of Uruguay's very public workforce

Progress is slow in a country where one in four employees works for the state, writes Leslie Crawford

PRESIDENT Luis Alberto
Lacalle of Uruguay, who
took office in March, is a
fervent convert to the cause of privatisation in a country where most of the population remains opposed to the idea of selling off state enterprises.

This entrenched antagonism baffles Mr Lacalle. "All Uru-

guayans complain about the public telephone service," he says. "When you ask them whether they think a private company could do a better job, they say yes. But when you then ask whether Antiel [the state telecommunications company] should be privatised, a majority say no. It is not that Uruguayans are

irrational, he says. It is just that they are very conserva-tive, and wary of change.

Although privatisation fig-ured prominently in the presi-

dent's electoral platform, he knows he must proceed can-tiously, not least because Uru-guay's complex electoral rules allowed him to win office with only 22 per cent of the national

The biggest fear is that pri-vatisation will lead to massive job layoffs in a country where one in four of the workforce (some 270,000 people) is employed by the state. Though the pay is poor, and most public employees take on extra jobs to make ends meet, they value the security of state

employment Under Uruguay's constitution it is illegal to sack a civil servant unless he com-mits a criminal offence.

Mr Lacalle's most vocal opponents are Uruguay's pow-erful trade unions. Using arguments that have almost disap-peared from the rest of Latin America, they accuse the presi-dent of jeopardising Uruguay's sovereignty by attempting to hand over key state services to foreign multinationals.

foreign multinationals.

The main left-wing opposition alliance, Frente Amplio (Broad Front), is also against privatisation, although it agrees that the state sector needs to become more efficient. "What we are against," says retired general Liber Scregni, Frente Amplio's 73-year-old leader, "is privatising profits and socialising losses."

Mr Scregni is particularly critical of the way the government has set about reprivatising four banks that were res-

ing four banks that were resed in 1987 on the brink of collapse. Banco Comercial, the biggest private bank in Uruguay, is expected to be sold to a consortium of foreign banks next month for a nominal sum of \$15m (\$7.6m). The central bank has also agreed to take over Comercial's portfolio of

Mr Agustin de Urtubey, cen-tral bank vice-president, esti-mates the government spent



Lecalle: causist between desire for efficiency and job security-

cial and restoring it to finan-

We paid to get rid of it," he says. But the announced sale provoked a national scandal. Mr Enrique Braga, the finance minister, was hauled before Congress three times last month to explain the terms of

ercial has given Mr Lacalle a foretaste of the problems that he ahead. Even within his ruling National Party there are voices of dissent. This is expec-ted to bog down legislation in Congress; and nobody in or outside government even dares to predict when a privati

One of the few men who remain undaunted is Mr Conrado Hughes, the budget and planning minister, who has been dubbed Urugusy's "privatisation czar" by the press.

He has sent two bills to Congress: one which seeks to do away with state monopolies in

insurance, telecommunications, port services, gambling, cement and alcohol refining. The other is a broad "state reform" bill which, among other things, seeks to give the government a face hand in the disposal of state assets.

Mr Hughes, who was in Britain in July studying the properties as th rations of July studying now various companies were privatised, says most of Uruguay's 15 state companies make a profit, but they are able to do so only because they are monopolies and can therefore fix prices.

"Our ports," he says,
"employ 5,000 workers, but
Valparaiso in Chile moves
three times more cargo with

only 650 employees."
He believes that privatising certain services and opening up other activities to private competition is the only way to rescue the country from its

chronic decline. The country has barely covered from a steep reces sion in 1982 and 1988, and over the past 10 years investment has been so low it has not been

capital depreciation.

More than 10 per cent of the population, some 300,000 peopie, were driven into exile by the 12-year dictatorship that ended in 1985, and this robbed the country of most of its best-qualified young profes-

Ф9.

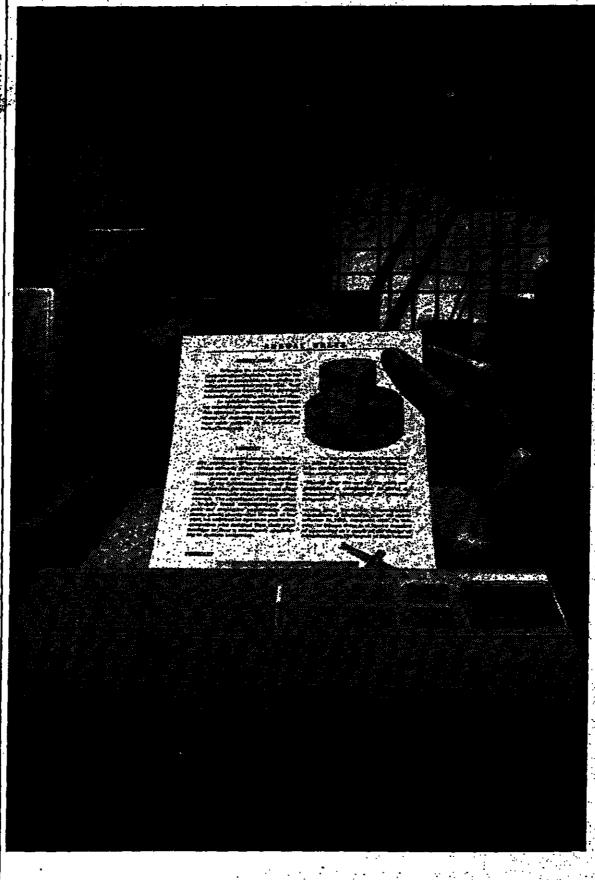
sionals.

Antel is a key company that will be up for privatisation if Mr Hughes' legislation makes it through Congress. Ms Rosario Medero, Antel's recently sppointed president, says the company has only just begun examining various options examining various options with the World Bank and foreign privatisation consul-

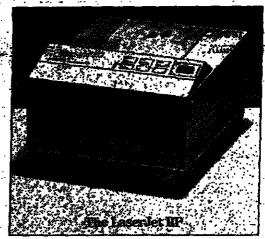
However, she is already convinced that Antel needs private partners to double its current investment rate of \$50m a year. There are 97,000 Uruguayans waiting for telephones. On average, they will have to wait two years, but in the country-side 15 years is not unheard of.
Ms Medero says the state alone does not have the resources to

She believes the state will probably retain a large share in Antel, although it will leave the day-to-day administration to a private operator. She also places great store in the de-monopolisation of the belecommunications sector, as this will encourage private companies to provide new services, such as data transmission.

Now you can go it alone for less.



The Hewlett-Packard guide to quality output.



Freedom is your own laser printer.

Imagine having your own laser printer right on your desk. Professional looking letters, presentations and documents emerging with just the barest whisper right in front of you.

But what price freedom? Until now the cost of individual laser printing has been prohibitive.

HP have now reduced the price even further on the LaserJet IIP.

With a footprint no bigger than your intray and a price tag no bigger than £1,199 exc. VAT the revolutionary new offering from Hewlett-Packard puts laser print quality within everyone's reach.

Fully compatible with most popular software and other HP LaserJet printers, the HP LaserJet IIP has superior text, graphics and outstanding reliability.

Add to that 14 internal fonts, simple push-button control, multi-paper size capability, optional second input tray, and upgradable 512K memory and you have a printer that can handle anything from a business letter to full DTP. And of course, it comes with our one year on-site warranty.

Call our enquiry section now on (0944) 369969 and we'll show you how the HP Laser Jet IIP can set you free.



Survey of foreign takeovers by British companies shows 30% fall in value

Slow growth hits expansion abroad

SLOWER economic growth may be taking its toll on Brit-ish companies' plans for international expansion through acquisitions, according to fig-ures released yesterday which show a 30 per cent fall in the value of foreign takeovers by

British companies. The figures, compiled by KPMG Peat Marwick McLintock, the accountants and management consultants, show that British companies made 44 deals worth \$14.4bn in the first nine months of this year. In the same period last year British companies made 592 acquisitions worth an estimated \$20 Ahn

cross-border acquisitions have been among the first casualties of higher interest rates and slower economic growth in the UK over the last year which has depressed industrial prof-

The KPMG survey of cross border acquisitions suggests that British companies may have decided to forgo expan-sion overseas in favour of maintaining investment in the UK. Recent business surveys have found that industry intends to maintain its UK

The figures show that for the first time in recent years the UK has become a net seller of The estimates show that corporate assets. In the first

nine months of this year 258 British companies were bought by foreign groups in deals worth \$16.7bn.

In the same period last year 236 British companies were sold to foreign purchasers for Britain's entry into the ERM could prompt an increase in the inflow of foreign invest-

Mr Gerry Archer, head of corporate finance at KPMG said: "Our joining the ERM is also likely to boost the UK's attraction to both US and Japanese investors looking for a nese investors looking for a foothold in Europe. We could thus see the continuation of high levels of sales of UK com-

the government to address the

issue of transport urgently.

Mr Jeremy Mindell, a local

government councillor from

London, won applause from the conference floor when he

criticised plans to build bigger

motorways and better roads. In a defensive speech, Mr Par-

kinson said that it was "non-

panies at high values as fresh foreign investment moves in." The increase in foreign purchases in the UK stands in contrast to the position of other EC economies such as France, Germany, Italy and the Nether-lands which have seen sales fall in the first nine months of

The survey shows that dur-ing the first nine months of the year the US took over from the UK as the world's leading cross border acquirer, with 266 deals worth \$14.8hn.

Worth \$14.500.
Cross Border Deals Survey, available from KPMG Peat Marwick McLintock, I Puddle Dock, Blackfriars, London ECAV APD.

Government to go ahead with £1.4bn cross-London rail link to ease capital's congestion

Tories show unease on transport policy

MR CECIL PARKINSON, the UK transport secretary, yester-day gave government approval for the proposed £1.4bm east-west "Crossrail" train route across London.

The announcement came at the close of a Conservative Party annual conference debate that revealed deep-seated discontent among the Tory faithful at the state of the nation's road and rail infrastructure.

The rail project decision, along with a plan to spread council house ownership, came as the only major policy announcements on a low-key opening day in Bournemouth, on the English south coast.

Around £200m has been allo-cated for initial studies into a new tunnel allowing British Rail's trains to traverse the capital between existing rail terminals at Paddington and Liverpool Street and relieve the congested Underground

Mr Parkinson said the project - scheduled for completion within the decade - was a "massive undertaking." It would add substantially to other transport modernisation projects including the exten-sion of the existing Jubilee Line and a £750m updating of the Central Line, currently

Together with other



On the defensive: Cecil Parkinson yesterday.

improvement schemes, these would add 16 per cent to London's public transport capacity. The additional gains coming from Crossrail had yet to be quantified, he said.

Some 94 motions had been tabled on transport at the con-ference with many openly deploring a perceived failure of

sense" that the government was against public transport when it was investing £5bn in the sector over the next three

years.
Even if rail capacity was doubled, it would still leave 85 per cent of traffic to go by road, he said. The transport secretary went on to promise a tough new crackdown on illegal parking on key roads, "red routes" to speed buses in city centres.

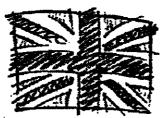
Enabling bills to allow the eventual privatisation of the former Dock Labour Scheme ports would be ready within a year. Mr Parkinson also recon-firmed the government's kong-term commitment to pri-vatise British Rail while adding that it would not be an

easy or rapid task.

"The question is not about whether we should privatise it but about how and when," he said. Briefing reporters after his speech, Mr Parkinson once a darling of the Tory sup-porters in the country — brushed aside the conference's downbeat reaction to his pro-posals for the sector.

But Mr John Prescott, Labour's transport spokesman, attacked his opponent for a "tired and uninspiring" performance aimed more at electoral considerations than at resolving Britain's transport prob-

BRITAIN IN BRIEF



Chevron to sell 15% in North Sea

Chevron, the US oil company, -has put about 15 per cent of its North Sea assets up for

of the biggest sales of North Sea properties since British Petroleum sold some of its North Sea assets to Oryx Energy of the US last year.
However, analysts differed
widely in the likely value of whilely in the likely value of the total assets, with estimates ranging from £160m-£350m. The package accounts for some 33m barrels of oil in producing fields, about 15 per cent of Chevron's North Sea reserves under production. It represents total reserves, excluding exploration excluding exploration potential, of over 100m barrels

of oil equivalent. The sale will reduce Chevron's North Sea outpu from 84,000 b/d to 63,000 b/ d. Chevron UK said it want to sell interests where it was not operator in order to concentrate on its core North Sea busine

House prices on the rise

House prices rose nationally in September for the first time for three months, according to a survey by Halifax Building

In spite of the rise of 0.5 per cent in the month, house prices were still 0.5 per cent lower than in September last year. Although Halifax said it appeared that the market had bottomed out, it found "no strong evidence" of an upturn in the near future. The society said that if last week's cut in interest rates

was followed by further cuts

to 12 or 11 per cent, house prices might rise by 5 per cent by the end of next year.

English for East Europe

A campaign to persuade 300 British companies to sponsor English lessons for Eastern Europeans has been launched by the English Speaking

The organisation plans to open new branches in Poland, Hungary and Yugoslavia in January, and one in Estonia soon after.

David Hicks, director-general of the ESU, which aims to promote international friendship through the English language, said the revolutions in Eastern Europe triggered the new

Co-operative

merger Co-operative Retail Services,

the retail arm of the Co-operative wholesale and retail organisation, is to merge with the Cambridge Co-operative Society.

Over the last 20 years, CRS has helped consolidate the fragmented co-operative movement by merging with The Cambridge Society, which has a turnover of about

£78m, runs 29 food stores, and employs 1,200 people, Some Cambridge Society food stores will be changed to the Leo's format, which is being heavily promoted by CRS in an attempt to propel it into the front ranks of food retailers.

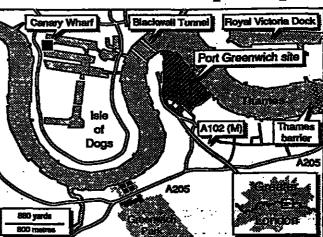
Free EC arts market urged Tight EC controls on the movement of national treasures would create a damaging black market in European works of art and

antiques, junior trade minister
John Redwood warned.
He said the Community needed a healthy free market in such treasures despite feurs from Mediterranean states that their national heritage would be plundered by their northern neighbours when EC borders disappear after 1992. Common Market rules currently allow national governments to impose whatever trade restrictions they like on national treasure.

Ofgas accuses **British Gas**

British Gas was yesterday accused by the Office of Gas Supply (Ofgas), its regulatory

Greenwich £1bn development plan



Plans for a £1hn development on a 296-acre site on Greenwich Peninsula where the Royal Naval College is situated, in London's docklands, have been submitted. The site, owned by British Ges, which is to be known as Port Greenwich, will be developed by its subsidiary. Port Greenwich Ltd, in what is planned to be a joint venture with British Urban Development, the consortium of 11 property developers founded in 1988 to implement Mrs Thatcher's plans for the inner cities. The consortium dismissed as "totally untrue" claims in the press that the project was a "dead duck" and that BUD was to be "quietly would down".

body, of hearting up to 1.5bm therms of gas reserves. Mr James McKinnon, Ofgas director-general, said that British Gas, which has the contract to buy most of the gas from the North See, was

stockpiling supplies 15 times greater than those available in the open market. If British Ges continues in stockpile, said Mr McKinnon the market will be suddenly flooded when alternative sources of supply come

Industry and the ERM

onstream in 1993.

Mr Peter Lilley, the trade and industry secretary, attempted to reassure industrialists that their businesses would not beendangered by sterling's need an arrived by stating a control into the exchange rate mechanism of the European Monetary System, at the Conservative Party conference of the conferenc

In a speech which won him the first standing ovation of the conference, he said that the current econor slowdown would not be "anything like as severe as the recession of the early Eighties".

Saatchi libel case verdict

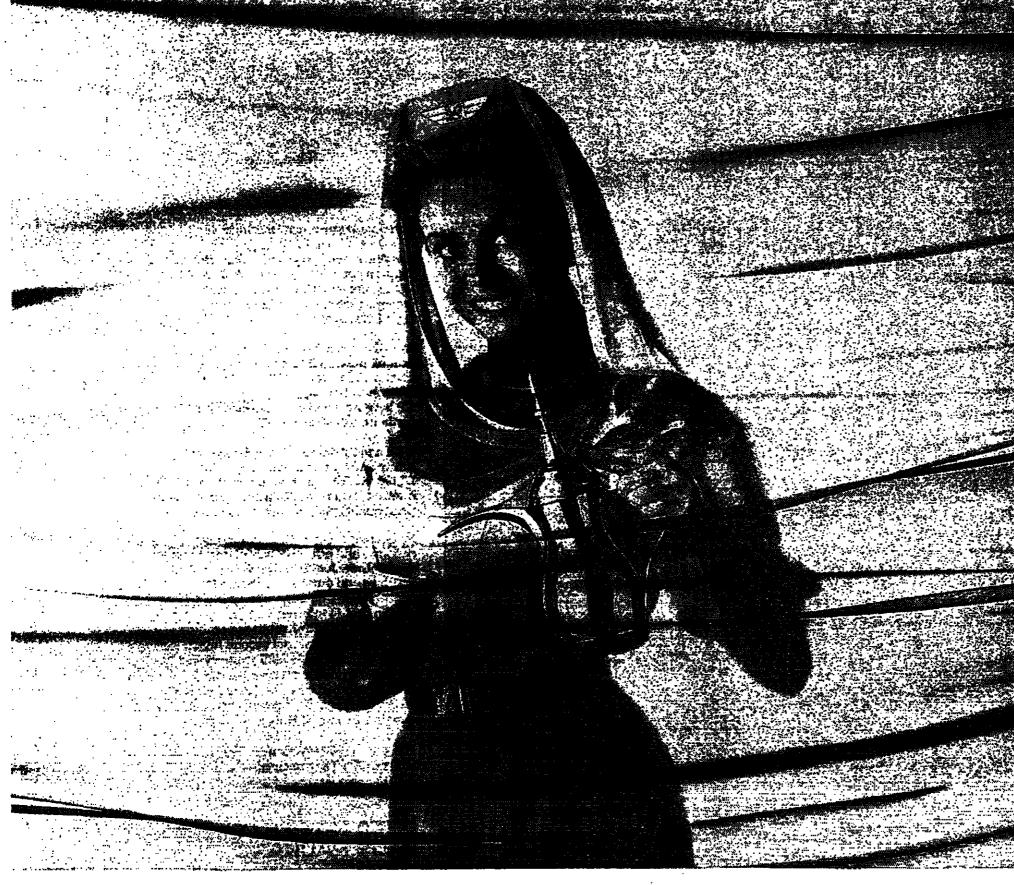
Two former creative consultants of Saatchi & Saatchi, one of London's largest advertising agencies, have won a libel action against Mr Paul Arden, Saatchi's creative director.

Mr Philip Mason and Ms Rita Dempsey have received substantial undisclosed damages and an apology from Mr Arden in the High Court over remarks he made about them last autumn in an article in Campaign, the advertising industry trade magazine.

French finance iournal shuts

Pinancial Weekly, the busine and finance magazine, has become a casualty of the advertising recession and is to cease publication.

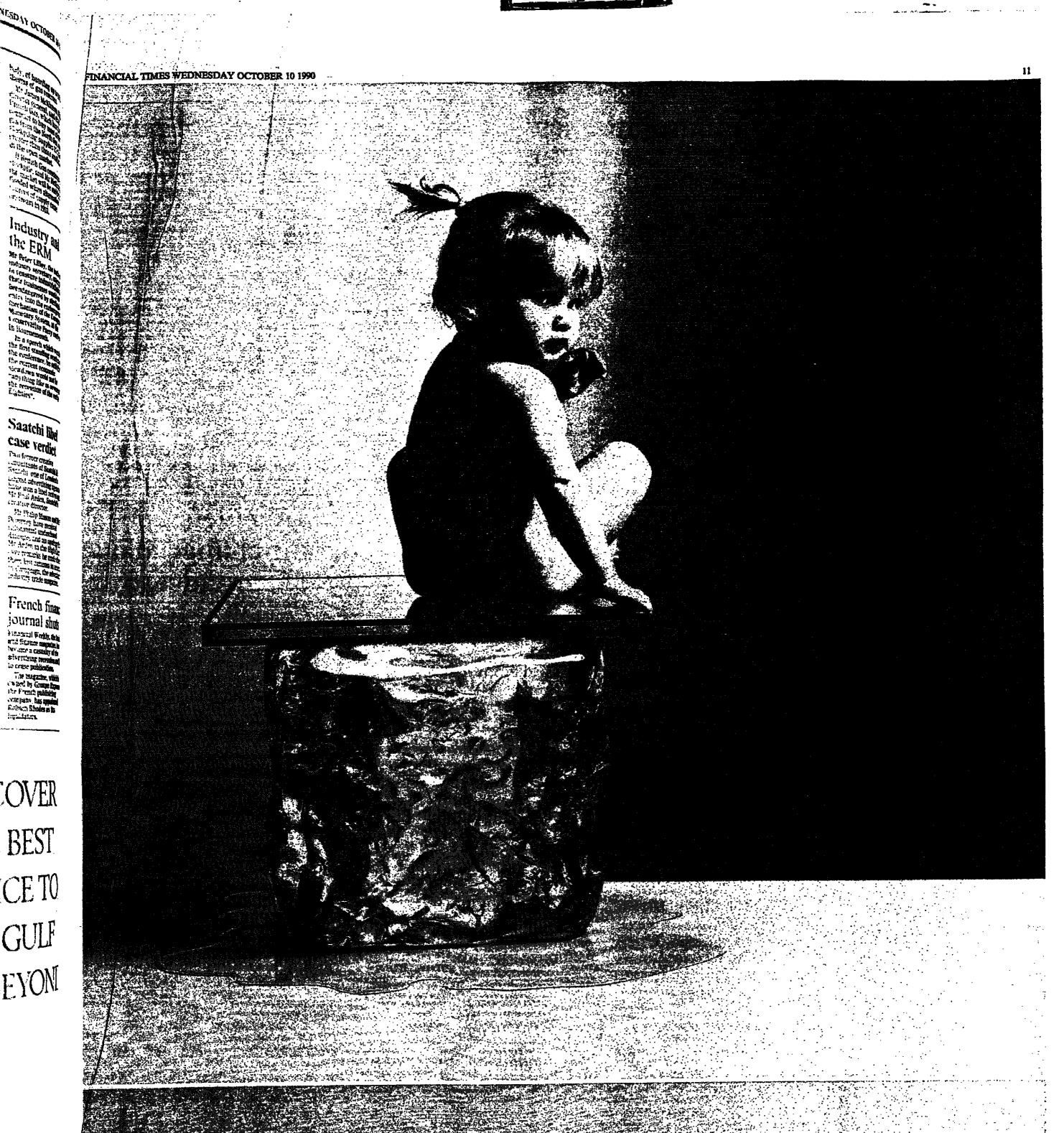
The magazine, which is owned by Groupe Expans the French publishing company, has appointed liquidators.



The best service, in every sense of the word. Not only do we fly you to more destinations in the Gulf than any other airline but we do it in a style to which you could easily become accustomed. You can now enjoy our famous traditional hospitality to forty major cities worldwide. So next time you fly, discover the airline where people really do come first - Gulf Air.

THE BEST SERVICE TO THE GULF AND BEYOND.





MANAGER ON THE BOTTOM, IT'S STILL WARM ON THE BOTTOM.

ing the pane nick pain is the second which ing Thes lets heat and ... produces more that glass than anybody

dentie etanogensing. Cie etgopady which makes glass and of the fact that the second of the secon -/ _ world roseth e. linear prints

interior interior which dieds PIKINGTON will get to the bottom of it.

against radiation as effectively as lead. Not to mention the Japanese, who import Pilkington glass for their camera lenses.

And that's a lot of camera lenses. So you can be sure that if a problem and the some reason was a large for the fix and overseas (3) needs solving in glass. Pilkington

KNOW.HOW.

Japan link-up seen as good indicator

Laura Ashley breaks even and omits dividend

By John Thornhill

LAURA ASHLEY, the frocks, fabrics and furnishings retailer which has been hit hard by the consumer spending squeeze, saw profits fall 95 per cent in the first half of the year and passed its interim dividend. The company, which two weeks ago revealed a drastic paring back of its manufactur-ing interests with the loss of

1,000 jobs, recorded pre-tax profits of £317,000 in the 26 weeks to July 28 compared with £6.53m last time. The company also suggested that there would not be a great improvement in profits for the full year and shares fell 3p to 62p at the close. Mr Andrew Higginson, the recently-installed finance direc-

tor, said: "This half year was a very painful one for the company, its employees and its shareholders. But we believe that we now have very firm foundations for future growth."
The company pointed to a 30

per cent increase in sales to £173.92m, its rigorous rationalisation programme and a pro-posed link-up with the Japanese Aeon Group as healthy indicators for the future. Laura Ashley is continuing to cut its non-core interests in an attempt to strengthen its

financial position. In the half year, the com-pany sold its Penhaligon's per-fume business to The Limited, the US retailing company, resulting in an extraordinary gain of £4.8m.

It also indicated yesterday that it was to close its eight Units franchises in the second half and was looking to sell its Bryant knitwear manufactur-ing company and the Sandringham leather goods busi-

Operating profits in the first half fell by 17 per cent to £7.39m from £8.88m as the com-pany suffered from tough retailing conditions and escalating costs.

But all the company's geo graphical divisions recorded like-for-like sales growth and its operations in continental Europe and Japan proved espe-

Searching for a new owner in the corridors of power Richard Evans on the collapse of the plan to develop the former home of the Greater London Council

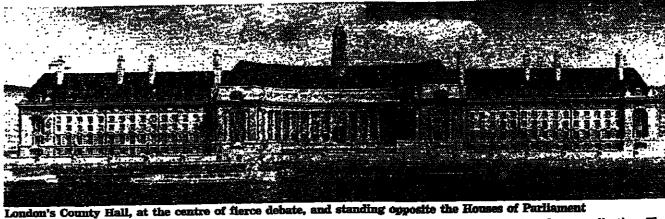
HE ghosts of the former leaders of London's city government must be feeling some grim satisfaction today as another attempt to ensure a permanent change of use for County Hall comes to

The saga of County Hall, the imposing neo-classical building facing the Houses of Parliament across the River Thames, has been long and complex, comparable to a television soap opera, and with its own cast of heroes and villains. Now, with the collapse of the

redevelopment plan following the calling in of a receiver by County Hall Development Group, the Anglo-Japanese consortium which was due to buy the property for £185m, the writing of the concluding chapter seems as far away as ever.

As the home of London government, first of all under the criment, first of all tinder the London County Council and then for 22 years under the Greater London Council (GLC), it became the flagship for all local government. Latterly, under the aggressive, left-wing Labour Party leadership of Mr For Livingstone, it became a

Ken Livingstone, it became a thorn in the side of Mrs Thatcher's government. After a series of increasingly angry rows, she decided the only answer was abolition of the GLC and the other metropolitan counties, which were not surprisingly Labour-con-



trolled. Since April 1, 1986 London has been the only major capital in the developed world without its own government.
It fell to the London Residual Body to sell off the remaining assets of the GLC after its aboassets of the GLC after its abo-lition, and from the start County Hall, as well as being the jewel in the crown, proved to be the hardest to off-load. Apart from its size — the planned 400-room hotel, busi-ness centre and residential

complex would be one of the biggest postwar developments undertaken in central London - there was always fierce political opposition to any atternative use, both from the Labour Party nationally and from Lambeth, the Labour-con-

shortlist in June, 1988, and con-tracts were exchanged in the trolled local borough.

Plans to market the site for re-development were launched by the LRB late in 1988, but it took until June, 1988 before 12 consortia were ready with proposals. County Hail Development Group, made up primarily of London and Metropolitan, New England Properties, Lazard Brothers and TR Property Investment and TR Property Investment Trust, was chosen from a

The collapse of the County Hall sale yesterday triggered the suspension of shares in London & Metropolitan, writes Vanessa Houlder. The appointment of receivers at County Hall Development Group has had a "material impact" on the company's refinancing talks, which have been taking place over the past three weeks, the company said yesterday. In addition to a £2.2m investment in CHDG, L&M may lose a £4.6m hank guarantee.

tracts were exchanged in the following December.
Following spoiling tactics by Lambeth Council, a public inquiry, held from September 5 to November 6, 1989, accepted most of the development proposals, but the inspector criticised the height of the Belvedere office block planned behind the main County Hall building and on those grounds

building and on those grounds

rejected the application. The Environment Secretary with-drew permission for a go-ahead, but gave the opportunity for revised plans to be put forward.

This presented the develop-ers with big problems, as meet-ing the inspector's criticisms would involve less space and reduce the profitability of the whole scheme In addition whole scheme. In addition, there was by this time a severely depressed property market and a difficult financial market in which to raise fund-

Following the planning permission rejection, the conscr-tium was unable to meet the original October 1 deadline for the sale and went to the LRB

with a new offer - understood to be to buy County Hall for around half the original price.

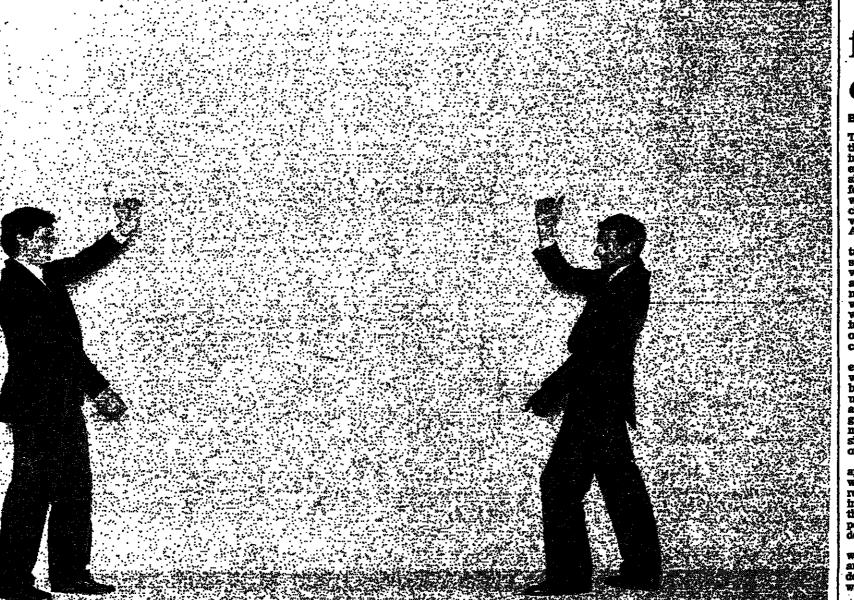
The LRB, charged with maximising the return from County Hall on behalf of London's rateptyers, refused, and the County Hall Development Group announced it was calling in a receiver. The consortium's shareholders are expected to lose in to \$50m.

tium's shareholders are expected to lose up to £50m.

The key question that
remains unanswered is what
now happens to County Hall?
Sir Godfrey Taylor, chairman
of the LRB, said he greatly
regretted that CHDG was
unable to fulfi the contract it
had willingly attend into, and
he would be talking to the
receiver about the next steps. receiver about the next steps.
A legal notice has been served
on the consortion by the LRB
to complete the ale by October

It seems unlikely that these talks will be roductive, but the LRB intends to press ahead with the sale o County Hall. and a spokesman said yester-day that it was optimistic of

Time is not now on its side, however, and the state of the property market vill not help. With a general election now on the horizon and Labour pledged to return sime form of London government to County Hall, Mrs Thatcher will be more anxious than ever to see more anxious than ever to see an early sale



When Autoglass wanted to expand we offered them a clear view

Autoglass is the leading automotive glass replacement business in the whole of Europe.

Being mindful of 1992, Autoglass wanted to increase their European presence by expanding their successful UK operation throughout the Continent. A deal was put together by their holding company to sell its building glass subsidiary to a French company and use the money to fund Autoglass' expansion throughout Europe.

Using our pan-European network, we were able to devise a tax structure that successfully addressed the tax issues arising from the imple-

ARTHUR ANDERSEN TAX AND LAW* CONSULTANTS

mentation of the company's European strategy.

Proof that when it comes to the complexities of cross-border taxation, there's one firm that doesn't glaze over at the challenge.

ARTHUR AXTRUE ANDERSEN & CO., S.C.

TV chiefs appeal for change in law on broadcasting

The government was urged to think again on three broadcasting issues — impartiality, ownership of Independent Television News and arrangements for maintaining an ITV network, by Mr Richard Dunn, chief executive of Thames Television and chairman of the ITV Association.

"There are now great uncer-tainties about ITV's £60m news service, about ITV's £450m networking arrangements and about the statutory requirements for impartiality across a
wide range of its programmes,
with very significant cost
implications, let alone editorial
ones". Mr Dunn told the FT conference in London.

Mr Dunn warned that present proposals on impartiality, where balance would have to be achieved on every individ-ual issue, would not only have grammes but that "programme makers and broadcast professionals may decline to be part of such a regime".

The ITV executive also appealed to the House of Lords

which began examining the which began examining the report stage of the Broadcast-ing Bill yesterday to reconsider the clause that forces a dis-posal of 51 per cent of Indepen-dent Television News shares. The government, he said was putting at risk a stable and securely funded independent news service to compete with the BBC.

Mr Dunn also criticised the

CONFERENCE INVESTMENT **OPPORTUNITIES IN**

BROADCASTING Office of Fair Trading role in supervising the ITV network

If the OFT had a major role and market forces are to rip "and market forces are to rip through the networking arrangements all bets are off and all bidders better go back to the drawing-board", he said. Lord Thomson of Monifieth, a former chairman of the Inde-pendent Broadcasting Author-ity, said the impartiality rules were being seen as the most fundamental threat to the qual-ity of current affairs broadcast-ing in this country and someing in this country and something that could lead to bland, timid, sale broadcasting.

"They represent a surrender by the Home Office to pressure from a group of right-wing politicians whose declared concern about left-wing bias in broadcasting puts the problem in a false perspective", Lord Thomson said.

Mr. James Lee a director of

Mr James Lee, a director of the Boston Consulting Group, who chaired yesterdays's conference, declared that not only would television become a more European game but also a game played and won by the hig players. Even the largest of the ITV

companies will prove to be too ill to compete in Europe in their existing form", Mr Lee

The FTV or Channel 3 companies as they will be known will need to change radically during the 1990s and find a new role. One possibility for them

would be to run channels on the second orthird Astra satellite, the satelite system that broadcasts Sk Television.

Mr David lumble, a senior director of the PA Consulting Group, said that most of the ITV companies could afford to pay out more han their current revenues in a cash bid over the 10-year anchise without begins to become more than the pay of the said to be a cash bid over the said out having to brow money. Together, the li ITV compa-nies could afford to pay a total of 12bn over the period and still be a good avestment com-pared with other corporations.

In general he highest bid would win, espite rules on quality, becaus no serious bid-der was likelyto progress to a programme scedule of significantly differen quality to the existing ITV stedule. Mr Bruce Firman, chairman

of Fireman Ree, a venture capital group, ad a veteran of dicted that ther will not be much competition for franchises this time. ational com-panies in relate industries such as music an film would wait until the frachise affair was over before taking their

Venture capitaists would only come into the television sector if prospective manage-ments showed rel financial

commitment.

Mr John Blackmre, head of media buying at advertising agency Ogilvy & lather, forecast that despite ts current economic problems the advertising industry hadvesone. tising industry andwagon would start to rol again. "I believe that on averge across this decade total ependiture on advertising will icrease by an average of 9 per cent per annum," Mr Blackmre said.

This would mean£18bn a year by the year 200 - just over double the preset expen-

Gross income to the commercial television companis from sport advertising would grow from just over £2.2bn next yar to almost £55m by the ent of the decade. In the same pend gross radio advertising ree-me would rise from £158m o

• Representatives of a Britain's main television chair nels will today try to persuad peers to reject controversia new government rules on impartiality in broadcasting. In a rare show of common

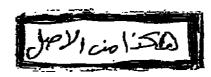
opposition to the government proposals as currently drafted, the meeting will be addressed by Mr Michael Grade, chief executive of Channel 4, Mr Richard Dunn, and Mr John Birt, deputy director-general of the BBC.

The lords are expected to reach the controversial amendment tomorrow during the report stage of the Broadcast-

ing Bill. Broadcasters are complaining of proposals that will require the independent Televi-sion Commission, the body that will replace the IBA, to draw up a code defining "due impartiality" in terms of indi-vidual issues and specifying the prominence to be given to balancing programmes or

Ministers are already indicating a willingness to look again at the controversial

Channel 4 in a briefing paper for peers said that the wording on individual issues would result in nothing more than tit for tat television.



Wednesday October 10 1990

the law and order surface, Page 2



The part of the pa

The same of the sa

dcastin

कारत से जिल्ला स्रोतिक के राज्य

the sales are

· Sundistant

ा व्यक्ति

T- (12225112

- Comparati

177 E to 4587

The contraction

्रास्ट अस्य

. 本 7 年 内位 (2 mg · mand to the Paul die Char

ः वक्षा ध**राष्ट्रिक्य सम्ब** ~ (127 S) (18) *्राचीत् वि*तास<mark>्य अधि</mark>हा

rating ITV state or Stor Found

¹ ⊑in ner bei

After three years of liberalising economic and political reforms, Taiwan is facing an identity crisis -

external and internal. The

Taiwanese must shortly resolve their relations with China as well

as what kind of economy and society they want, says John Elliott

Choices must be made

ONE OF Asia's most vibrant economies of the 1980s is fac-ing an identity crisis. Forty-one years after General Chiang Kai-Shek fled from China's Communist regime and founded the modern Taiwan, this thriving island located 100 miles off the Chiness mainland has reached turning points on important political and eco-

nomic issues.

The direction that Taiwan takes during what is popularly known as a "period of transi-tion" will dictate its future identity and chances of continned economic success, based on wide-ranging political and economic liberalisation policies started three years ago. One issue at stake concerns

the island's relations with Peking, which it does not officially recognise. Rapidly developing indirect business and other ties, plus growing democracy in Taiwan, are building up irresistible political pres-sures for relationships with Peking to be clarified.

Of more immediate imporof more immediate impor-tance is the economy of the island, which has made itself the world's 13th largest trading nation even though it is not internationally recognised as a sovereign state. Now its population of only 20m has to

and the second of the second o

decide whether it wants to maintain Chinese traditions of hard work and entrepreneur-ship, or follow the other Chinese craze - gambling - and perpetuate a declining work

Economic growth is down to 4.5 per cent or less this year following a stock market crash in recent months which brought the Taipei exchange index tumbling by 70 per cent.

Vincent Siew, Minister for Economic Affairs, says that the country is in for a couple of "difficult years". That was before the supercurrent had had before the government had had time to assess the likely damage caused by the Guif crisis which is seriously worsening economic prospects. Bankers fear that there could be a spate of financial and industrial collapses if sharply rising petrol prices and other effects of the Gulf bite hard on the economy. "The days of reckoning have come after a period when we lived in an illusive state with lack of proper monetary and fiscal policies. We are having a good hangover," says Douglas Hsu, president of Far Eastern

Textiles, one of Taiwan's largest companies. "We got lost for three years with structural growth that was not healthy because peo-

TO A COMPANY OF THE PARTY OF TH

ple went into the money game which undermined their atti-tudes to work," says Siew. "Now people are applying again for jobs and we have put our car back on the right The problems have stemmed

from Taiwan's huge economic success. It has had a growth rate averaging 9 per cent for nearly 30 years and has accu-mulated foreign exchange reserves topping US\$74bn at

their peak.

This generated huge amounts of money for gambling on Taipei's casino-style stock exchange. The ability to make quick fortunes seriously demand the traditional work damaged the traditional work ethic and, along with other factors, has deterred industrial investment Law and order deteriorated

during this period and the gov-ernment failed to respond effectively with authority to a wide range of social and economic issues. These events exposed the

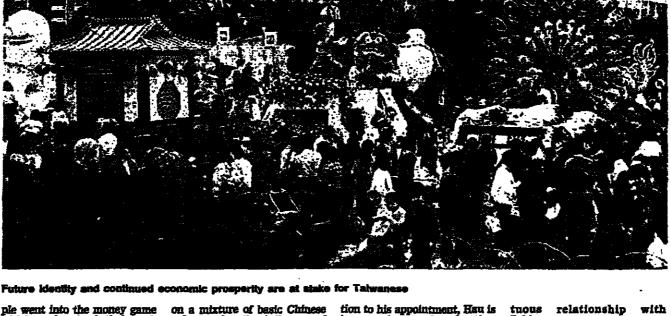
shortcomings of a community

on a mixture of basic Chinese culture, plus the influence of Japan, which ruled from 1995 to 1945, and the US, which sub-sequently had close links. This mix has not provided the estab-lished traditions and self-confidence needed to enable the island to survive through difficult times.

The current situation would be far worse if it were not for a new tough prime minister who was appointed in May by President Lee Teng-Hui. He is Han Pei-Tsun, a 71-year-old mainlander, who became defence minister last year, having been a four star general for many years, chief of the general staff, and a feared power behind the throne of the Kuomintang

Hau has brought to Taiwan's political leadership some of the administrative authority and effectiveness of a military regime. Such sureness of touch had been lacking since martial law was lifted and multi-party democracy introduced three

years ago. Despite initial strong opposi-



Peking.
Officially, Taiwan's KMT government still claims to be the rightful government of all immensely popular, beating even the Taiwanese-born Presi-dent Lee in the opinion polls with an 88 per cent approval rating. He is bringing simple straightforward authority and China. Peking on the other hand regards Taiwan as a government to a people who have shown an inability during the past three years in cope with the sudden rush of untold nand regards Taiwan as a recalcitrant province which must one day return fully to Chinese sovereignty, preferably around the time that the British and Portugese territories of Hong Kong and Macao return in 1997 and 1999. freedoms and wealth.
"Premier Hau is certainly the right man at the right time to re-instill discipline and val-ues," says Hsu, echoing the general relief felt by the busi-ness community. return in 1997 and 1999.

right to rule – attitudes which are out of tune with the afflu-ent Taiwan of the past few

Complicating these economic and social issues is the uncer-

tainty caused by Taiwan's tor-

But there is enormous pressure within Taiwan for the relationship to be clarified quickly so that growing business links, which at present are formally conducted on an indirect basis, can be carried out directly. This has become one of the most talked about ness community.

But there is concern about how long the premier's popular honeymoon can last. His general law and order theme is widely welcomed, but he may eventually go too far because he basically believes in old values and the KMT's absolute right to rule. searches for an identity to give it security.

> of Taiwan playing a major role in the development of China's coastal regions, similar to that played in the south by Hong Kong. But the KMT still dreams of reuniting Taiwan

mist China - a development which is unlikely to come shout in the short time scales of businessmen's corporate

However, the KMT govern-However, the KMT govern-ment is responding to the busi-ness and other pressures with new laws and by softening its stance. It is now promoting an idea of "one country, two regions" with "two separate legal jurisdictions". This would give Taiwan more autonomy give Taiwan more autonomy and identity than Hong Kong and Macao are to have under their one country, two systems when they return to China's control

Semi-official contacts with Peking are increasing and Ma Ying-Jeou, executive secretary of a government committee handling mainland policy, says the president wants to "achieve national unity on moves towards reunification". Ma also acknowledges that Ma also acknowledges that there is a "more relaxed approach" being adopted towards the KMT's "three noes" policy which bans contacts, negotiations and compromise with Peking.

However, Peking has failed to respond constructively to these nervous olive branches.

these nervous olive branches. Its tactic seems to be to sit back and wait for Talwan to be pushed by its own internal pressures into making more and more concessions.

It also seems to suspect that there is still a significant body of opinion in Taiwan which wants to formalise the island's de facto independence and break away for ever. There is, however, little evidence of Taiwan's vocal but small independence movement gaining ground — though it could do so later if the government fails to solve the island's fundamen-

tal identity problems.

The stand-off between Peking and Taipei is bedevilling Taiwan's attempts to gain international diplomatic recognition. Last year it generated a lot of publicity when it gained full recognition from small countries such as Granada. But Peking has hit back by gradually wooing three of Taiwan's most significant international allies — Saudi Arabia, South Korea and Singapore.
Behind all this is growing rivalry between the old Tai-

wanese, who were already on

IN THIS SURVEY The economy: Government

measures to revive the Politics: Taiwan's constitutional legacy China: Policy towards

Foreign policy Profile: The minister for economic affairs3 Trade: Changing nature of

the export machine industry profile: Textiles' period of enforced adjust-

Company profiles: Acor and President4 investment abroad: A way of beating protectionist

quotes and of buying time Stock market: The market Index has fallen by 70 per cent since February Banking and finance: "We would like to be one of the financial centres of Asia" - finance minister5

KEY FACTS/MAP2 Related surveys ...

the island before Chiang Kai-Shek arrived with between 1.5m and 2m followers in 1943, and the mainlanders who came

The majority Talwanese have been gaining in influence and power, especially since President Lee took office early in 1988, and there are power struggles within the ruling Kuomintang between these people and both first and sec-

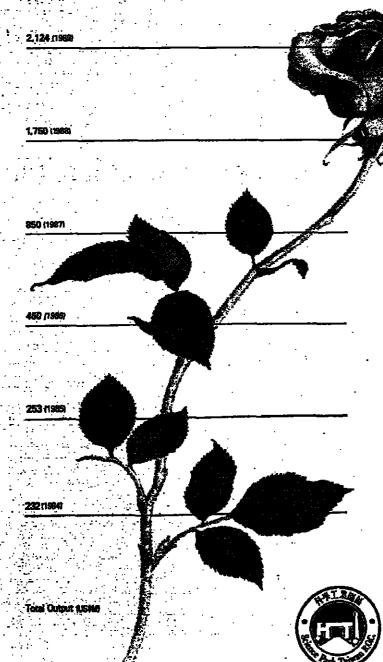
ond generation mainlanders.

These power struggles emerged in public just before President Lee was elected in June. At that time Hau, then the Defence Minister, lined up with an anti-Lee faction. But with an anti-Lee faction. But the president responded defily to these challenges after his alection by making Hau the prime minister.

This assuaged some of the old mainland feeling and pro-vided the government with its new law and order theme. The

new law and order theme. The move has bought the govern-ment time - but the basic questions about the future of the economy and relations with China need to be resolved.

TOP HIGH-TECH MANUFACTURERS PROFIT BY GROWING IN OUR IDEAL ENVIRONMENT.



Today the Republic of China is quickly establishing an international reputation for its standards of high tech research, development and manufacture.

A key reason for this is the Science Park. Since it was established in 1980, the Park's tenants have grown from just 7 to the present 111. These include such renowned names as AT&T, Philips, Acer and more. They've put down their roots in our Park, because it provides the ideal environment for research and development in everything from telecommunications, automation and computers to biotechnology, optoelectronics and more. Because in a perfect climate both ideas and profits grow.

THE SCIENCE PARK, WHERE DEAS PLOSSOM. 2. Hsin Ann Road, Hsinchu, Talwan, R.O.C. Investment Services Division Tel: 886-35-773311 Fax: 886-35-776222

European elegance in the heart of Taiper



The Hotel Royal Taipei. Contemporary refinement and sophistication that's reminiscent of Old World charms. Along with uniquely personalized service that helps make a stay memorable. Experience it.



37-1, Section 2, Chung Shan North Road, Taipei, Taiwan Tel: 542-3266 Telex: 23915 Cable: ROYAL HTL Fax: 543-4897

nikko hotels international

For reservations, call your travel agent, the nearest LRI office, Japan Airlines office or Nikko Hotels International, Tall free in U.K. 0800-282502, Toll free in France 05-02-30-09, Toll free in West Germany 0130-3137 Toll free in U.S. and Canada 1-800-NBCKO-US (645-5687), Hong Kong 7394321, Tokyo 03-281-4321

THE GRANDE COLLECTION OF HOTELS

TAIWAN'S Legislative Yuan. the country's parliament, received a security-minded face-lift when it reopened for its 86th session last month. It has been the scene of violent demonstrations in the past couple of years.

Portable microphones, often used as weapons by angry leg-islators, were removed. Bullet proof screens were erected on the edge of a public balcony, which had often been used as a platform by protestors. Entrances for press, public and members were segregated and equipped with electronic

It was all in tune with the law and order image of Hau Pei-Tsun, the new prime minister. But it failed; the basically unsettled and turbulent nature of Taiwan politics burst to the surface on the opening day. Members of the main opposition party, the Democratic Progressive Party, demonstrated noisily before walking out after one of them had squirted water at the elderly Speaker, Liang Su-Yung, a senior member of the ruling Kuomintang (KMT)

party.

"The DPP members are doing something fatal to their own party because their action won't be accepted by the public," says Liang, voicing establishment house that the dem. lishment hopes that the demonstrations would subside and allow parliamentary business to proceed. Only two or three bills were passed in the last session and there are now 300 waiting to be processed, including about 50 urgent measures dealing with issues such as labour laws, financial markets

and pollution control. But, as the DPP members know, the real political future of Taiwan is not being fought out in the rowdy and unruly parliamentary chamber, but among the members of the KMT. The party has split during the past year into increasingly complex factions.

The primary issue at stake is how far and fast Taiwan should move on constitutional reform and how this links in with the KMT's constitutional insistence that it has continued to be the legitimate gov-ernment of all China since modern Taiwan as formed in

We want to move ahead on democratic reforms, but we also want to maintain the legitimate status of representing the whole of China," says James Chu, the KMT spokesman. Chu acknowledges that people who want to slow down democratic reforms can play this China card to block prog-



Hau Pei-Tsum law and order Image

POLITICS

Future held up by the past

President Lee Teng-Hui, who is believed to favour substan-tial democratic reforms in principle, has himself said that Taiwan's long-term stance towards China could be affected. He has to be particularly careful because, unlike the old-guard KMT leaders from the mainland, he was born in Taiwan and is rumoured in both Taipei and Peking to have indicated past interest in Taiwan indepen-

The problem stems from Taiwan's current constitution, which maintains the fiction that the government has all-China status. About half the Legislative Yuan's 252 members were elected on the mainland before 1949, and the National Assembly, which elects the president, is dominated by old mainland mem-

This is flushing out perhaps the most important long-term battle of all – the future power within the KMT between, on the one hand, the mainlanders and their offspring and, on the other, the native Taiwanese. Although both groups are ethnic Chinese, the looming split between them has some of the hallmarks of clashes seen else-where in Asia between different ethnic groups and could cause wider social tensions

Within the KMT, the president represents the Taiwanese while Hau, the prime minister, is one of the mainland elders. Hau was chosen by the president because of his background to placate the main-landers during the period of democratic reform. There have not so far been open clashes between the two men, both of whom need each other, but problems could develop. There are four main areas of demo-

cratic reform under discussion:

The first, which until recently was the most explosive, involves the retirement of the pre-1949 mainland-elected elders of whom about 120 are now left in the Legislative Yuan and a much larger total of at least 600-plus in the National Assembly. Their exis-tence has drastically reduced the effectiveness of Taiwanelected members, especially the DPP.

decreed that all the elders must retire by the end of next year and they have reluctantly agreed to do so. The DPP wants them to go this year, but this is not a live political issue. The most emotive issue now is how the president should be elected. President

The supreme court has

Lee's current term ends in 1995 and he has said that the elec-tion should be by the Taiwan-ese people. But he has shied away from meeting DPP demands that this should involve a popular vote because that would exclude any pretence of covering mainland

Some form of indirect poll therefore seems inevitable. It is likely to be through an electoral college, possibly the National Assembly which, when shorn of its elders, would be dominated by people repre-senting Taiwan constituencies. But to continue the all-China theme, some special category of general members is likely to be invented. Liang favours a new category of people drawn from those who left China in 1949 with the elders. This would help to maintain the influence of both first and second generation mainlanders.

• Also planned is the election of the governor of Taiwan and the mayors of the two leading cities, Taipei and Kaohsiung. This is likely to be by popular vote since it does not carry China counctations.

These developments follow a national conference called by the president for the end of June. A reform committee, packed with KMT members and excluding the DPP, has been set up to put forward proposals for reform some time next year.

Meanwhile the two main political parties are embroiled in their own internal splits. While the all-powerful KMT is basically divided between mainlander families and Taiwanese, one outspoken leader of the DPP. Gau Jeng Ju, has broken away and says he will form a China Social Demo-

cratic Party.
"We need a party which develops real public policies instead of just concentrating on issues like independence and reunification with China," he says. "The DPP has no strength beyond the fact that the KMT is corrupt. People support the DPP only because the KMT is not good."

CHINA

ECONOMY: Peter Wickenden

Back to hard reality

FOR THE 4m people who played the stock market or put their money into unlicensed banks, the past year has been a premature flirtation with riches. For the economy, it has been a damaging diversion from the road toward maturity.

Few seemed aware, as they swapped their mopeds for BMWs, that the resulting lavish boom in domestic consumer spending was propping up an economy that has been fundamentally weak for at Taiwan's trade surplus is

expected to plunge by about 30 per cent to \$8bn by the end of the year. Manufacturing output in the first half was down by three per cent on last year, productivity rose just over 6 per cent, but wages were up 14 per cent.

Before the effect of oil price

rises filtered through, the con-sumer price index in August was already up 5.63 per cent year on year.

However, the government is positive in its resignation to a slowdown that has been creeping up for two or three years and which may last that long again. The cabinet has revised its GNP growth forecast for this year to 5.2 per cent (lowest in eight years), and this does not take oil price hikes into account. Vincent Siew, the eco-nomics minister, thinks the figure may be closer to four per

With hindsight, the root of the trouble can be traced back to the middle of 1988 when the Central Bank finally stopped direct manipulation of the Taiwan/US dollar exchange rate. This meant it could no longer keep Taiwan's exports artificially cheap in the face of a worsening labour shortage and rocketing wages. Industry mouned as the NT dollar appreciated another 10 per cent over the next 12 months to December 1989, making a cumulative

50 per cent rise over three years. Foreign exchange But most exporters got by:

they reduced their large profit margins and paid a little more attention to productivity. And orders that had moved from Taiwan to China and South Korea switched back again when instability erupted in those countries last year.

Many companies got a new lease of life and put off investment in automation and pro-duction of higher quality goods. Export-generated foreign exchange (and a good deal of hot money) continued to pour in to Taiwan.

As early as last spring, the government took fright at money supply growth figures

The social rot has been largely stopped

and started an anti-inflationary credit squeeze that is only being eased now that the econ-

omy is faltering. The government was obviously not expecting the stock market to collapse so completely because of its measures to cool speculation. For, in spite of the fact that the export growth rate had been falling steadily, in January this year the government was still confidently predicting GNP growth

at 7 per cent.

That growth was supposed to be driven by spending on 14 large infrastructure projects and rising domestic consumer demand. Noting accelerating capital outflow, private analysts were soon saying six per cent or lower. By August, capi-tal outflow had hit \$9bn, topping last year's total of of

The central bank predicted a current account deficit of about \$1bn by the end of the year, the first deficit in ten

reserves fell this year from \$73.60bn in January to \$65.94bn by the end of July.

Perhaps the government was also loath to admit that in Taiwan a stock market crash could bring on a slump, whereas in most other econo-mies it could only be the other way around. But, as Siew now acknowledges, at least 25 per cent of last year's 7 per cent GNP growth was due entirely to what he calls speculative

Labour intensive industries have moved en masse to China and other Asian nations rather than stay here and upgrade. It is a typically short-term solu-tion adopted by small Taiwan-ese businessmen out for short-term gains. But even large companies with long term plans lost faith in the domestic investment cli-mate as land prices shot up, crime and environmental pro-tests increased, and the ruling

Knomintang party became preoccupied with internal strife.

Despondency spread to the
ranks of senior government
officials such as former Vice
Economics Minister Wang
Chien, Shien forms Finance Min-Chien-Shien (now Finance Min-ister) who in the spring resigned in disgust at wide-spread lack of respect for the

With Han Pel-Tsun, a former four-star general heading the cabinet, business confidence is still low but the social rot has

been largely stopped.
With a wary eye on inflation figures in the wake of the Guif crisis, the government is now adopting a cautious expan ary policy. For the first time in eight years the central bank reduced bank reserve requirements under heavy pressure from loan-starved industry. in August NT\$300bn of post

office reserves were released to local banks, and the cabinet also approved direct loans

. President Lee Teng-Hui

New Taiwan dollar

1988 US\$1 = NT\$28.59

1989 US\$1 = NT\$26.41

20,11 million (Feb 1990 esti

36,000 sq km

totalling NT\$42.5bn to small companies. In addition, indus-trial zoned land is to be sold at a discount and new tax incentives will be made available to encourage research and devel-

A drop in property prices this year has also improved the prospects for getting the infra-structure projects started or back on schedule. These include Taipei's mass rapid transit system, a second northsouth freeway, and a fifth nap-tha-cracking plant for the state run Chinese Petroleum Corp. After three years of wrangling with local residents, the cracker project was finally started in late September.

Some analysts do not share

Taiwan depends on manufactured exports

the government's hopes that these projects will give the economy a shot in the arm. Delays will continue because of to the shortage of labour, and there will be a long wait before there is any effect on domestic demand, says Wang Su-Wang of the Chung Hwa Institution for Economic Research, the government's economic think tank. The commencement of the naptha-cracker may be of psychological benefit at best.

Wang is also sceptical about the effect of credit-loosening measures. According to the Institute's latest industry survey, tightly-regulated state-run commercial banks now have more liquidity but are not will-ing to lend to ailing companies. More than a third of the companies listed on the Taiwan stock exchange are now said to

be in financial difficulty. Siew is optimistic for the long term. He is content to sit through one to two years of low growth while industry restructures with government assistance. At present, he says, high-quality, high technology products account for about 55 products account for about 55 per cent of total exports, and the proportion is rising.
In the wake of the stock mar-

Companies will have to merge to survive

ket crash, the service sector, which now accounts for more than half of GNP, has proved vulnerable. With a small domestic market, Taiwan still depends on manufactured exports and the question remains whether the smallscale nature of 90 per cent of tinue to be its secret weapon in

the future. Vice Economics Minister P.K. Chiang says that small-scale means flexibility, and that this has enabled industry to weather previous storms. In the past industry has moved nimbly from one low-tech product to another.

But that may no longer be be so easy in the capital-intensiv high technology environmen that the government wants to create. Prof Wu Rong-Yi agrees that companies will have to overcome their reluctance to merge if they are to survive.

If they can, and if foreign industry continues to put in vital technology and direct investment, Taiwan will still emerge with a formidable mod-

ern industrial economy.

ECONOMY Total GDP (US\$bn)..... Real GDP growth (%). 122.3 148.6 7.3 7.4 10.2 11.4 Exports (USSbn) 60.6 66.2 10.9 13.9 (% of total value) 38.7 14.5 9.2 29.9 26.2 30.7 23.0 1.5 1.1 Consumer prices (% change pa). 4.4 (% of labour force 1.6 73.9 73.2 Source: Datastream, Economist Intelligence Unit

KEY FACTS

Your Keys to the Taiwan Trade.



Slashed tariffs. Open markets. Financial liberalizations. And market diversification. All these and more are the keys that let you open the doors to greater trade opportunities on Taiwan.

And those opportunities are specially good for European traders today, as the Republic of China on Taiwan is moving quickly to strengthen its trade and business relations with Europe before the integrated market takes hold in 1992.

Previously dependent on the USA and Japan for the lion's share of her two-way trade, Taiwan is now adjusting to a period of mutual "awakening" with Europe. Our two-way trade with the Old Continent is booming as a result. In 1989 our trade reached US\$19.3 billion; in 1990, it is growing at a lightning fast pace of more than thirty percent, and will account for nearly a fifth of our overall two-way trade.

Much of this activity is in East Europe, where Taiwan manufacturers are discovering new markets, and the government is encouraging diversification. Our trade with East Europe is growing annually at over 100 percent.

The changes in Europe come at a time when Taiwan is undergoing an import and services boom, moving the island away from its previous reliance on exports for her economic vitality. That, coupled with the stronger than ever buying power of the Taiwan consumer, has also helped put the keys to the Taiwan trade in your hands.

For more information on how you can open more doors to the Taiwan trade, contact us, the Board of Foreign Trade. Today!

Board of Foreign Trade Munistry of Economic Affairs I Hu Kou Street, Taipei, Taiwan, Republic of China Tel: (02)351-0271, Telex: 11434 BOFT, FAX: (02)351-3603



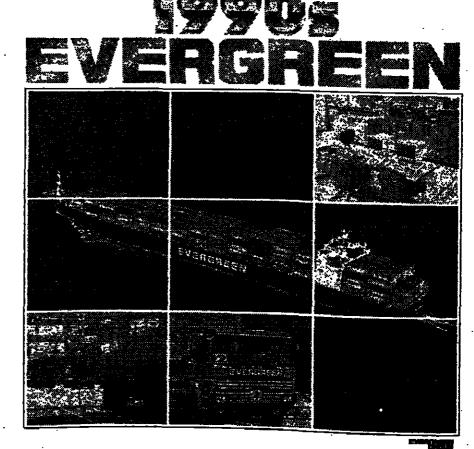
TAIWAN Land over

YOU EXPECT

Even our decor, from the elegant main lobby to small settings in the hallway, reflects the special care that you expect from Hotel Rebar Crown Taipei.

Personal concierge assigned to each guest and, of course, complete facilities for business, dining, and recreation.

SAILING SMOOTHLY AND EFFICIENTLY INTO THE



THE PRESIDENTIAL office spokesman Cheyne Chiu wonred aloud at a recent press conference whether Tsiwan's policy towards China wasn't in a muddle. Other countries pondering their relations with the two, foreign businesses considering investments and, of course, the Taiwanese them-selves, could also be forgiven

entregiste in titotta (2004), i titolo

JAIESDAY OCTOR

export

record Action to the control of the

ingliner man

and the light of the

of the state of th

A. i. ft. le candida.

ताल क्षेत्र व्याचा व्याच

E Graph effe

THE PERSON

The Later At Page

...- - 11.±1111 \$12€

TOTAL STREET

े सात्र विद्य

THE PERSONAL PROPERTY.

En male de

Companier

have to men

\$ 5 (1988), \$50 page ा । तस क्राच्छ

and the same of the same

TODAY C · A nominal 10 July 40 F stand passet TO ME

. 101 mil 20 in America

1.00

SILV INTO TH

Suryte

for confusion when they review developments this year.

At his inauguration in May President Lee Teng-Hul said that the "rebels" who have run China for four decades would be recognised within one year as a government, but still an "illegal" one. He also said that Taiwan's government would be willing, under certain condi-tions, to talk to Paking about remiting Taiwan with the Chinese mainland.

This was radical stuff in Taiwan, but that statement was just the start. Teiwan next proposed a quasi-governmental intermediary body to solve civil and trade disputes, with each side having offices on the other's patch. The People's Talwan data manulah Republic's response was guard-

edly positive.

Meanwhile, the Economics
and Justice Ministries made proposals for starting direct trade and investment across the strait. Restrictions on visits to China by Taiwan residents were relaxed and the Chinese press was allowed to cover news on the island.

It seemed the government had caught the Taiwan peo-ple's "mainland fever." But

"WE WOULD like to see the

economy back to normal so that the Chinese people's tradi-tion of hard work can be

restored," says Vincent Siew.

Taiwan's new minister for eco-

hility for Taiwan's economy at a bad time. But he subscribes

to the view held by the govern-

ment, many academics and some businessmen that Taiwan

must go through its current

downturn in order to shake off the money-making mania of

recent years when casino-style

gambling on the stock market replaced the work ethic.

so had. We have been at a

cross roads and now we are

turning into a very healthy development because in the

past three years we have had

what was really unhealthy

growth with the money game

and now we are trying to turn things onto the right track."

Nearly 2.5 per cent of eco-

ESISS 8 - TITLY - PERSONNELLY S - CONT.

THE RESERVE OF THE PERSONNELLY S - CONT.

THE RESERVE OF THE PERSONNELLY S - CONT.

nomic growth came from stock

market activities, he says dis-

Ast and and

I don't think the situation is

nomic affairs.

then Saudi Arabia's sudden switch of diplomatic ties from Taipei to Peking in July threw all into doubt. Singapore and Indonesia, long unofficial allies of Taiwan, also moved to mend their ties with Peking.

Officials blamed these setbacks on the international confusion caused by Taiwan's rapid softening toward China. Calls were made for a six-month freeze, since China had not responded amicably to Taipei's initiatives. Within weeks, however, President Lee was over-riding the policy-mak-ing power of the cabinet's mainland affairs committee by forming a new top-level National Unification Commis-sion, with himself as head.

Then, as the Taiwan team Then, as the Taiwan team prepared to leave for the Peking Asian games, the draft of a law governing relations across the strait was finished after two years of debate and huge revisions. To the surprise of many it does not wrothly for of many, it does not provide for direct trade, investment or transportation.
To make sense of all this,

one must separate the politi-cians' rhetoric from their reasoming, and look at the problem from four angles. Most simplistic in their argu-

ments for rapid opening up to China are the bosses of Taiwan's 90,000 factories. To them the mainland is the nearest source of affordable labour and raw materials, in some cases another export market too, says Professor Wu Rong-Yl of the Taiwan Insti-

tute of Economic Research.

CHINA: Peter Wickenden

Ties are stronger

In the past three years at least 1,000 Taiwanese compa-nies have set up production lines in China or moved there wholesale. They have poured at least \$1.2bn into the country. But the debate over direct trade and transport investment only really started when Y.C. Wang, chairman of Taiwan's largest conglomerate, the Formosa Plastics Group, joined in early this year. FPG's main product is ethylene, and as more than half its customers making cheap plastic objects have gone to the mainland,

Wang wants to follow.
Other large companies such as Wei Chuan and President Enterprises, Taiwan's two leading food processors, Tuntex, a construction and textiles group, and several of Taiwan's ten auto makers have tentative plans to invest in China. They are applying great pressure on the government.

can resist is uncertain. At the moment the large foreign com-panies upon which Taiwan's depends for the technology to upgrade its own industry are getting conflicting signals. While John Ni in the Eco-

nomics Ministry's Industrial Development and Investment Centre promotes Taiwan as potentially "a good base for the China market", Ma Ying-Jeou of the cabinet's mainland affairs committee says: "We have no intention to go beyond indirect trade and investment. Some of Taiwan's husinessmen are not sophisticated enough in mainland affairs."

Peking says it will take Taiwan back by force if necessary, it proposes a "one country, two systems" model like the one which will apply to Hong Kong, but ostensibly more liberal. Taiwan's draft mainland relations law is based on a "one country, two areas" for-mula. Under this, each government would maintain its exist-ing jurisdiction but would

recognise the other's laws

when it came to solving civil

disputes. "But we have not

retreated from our earlier posi-tion that we are the sole legiti-



President Lee Teng-Hul

mate government of China," stresses Ma.
The third angle for scrutiny is the world of politics. No right-minded politician in Taiwan wants unification with

a communist-controlled mainland. But the issue is being used in the struggle for control of Taiwan between ageing mainland Chinese and the Tal-wanese. The KMT mainland waterse. "The Kert mannamers accuse President Lee (who is Taiwanese) of supporting Taiwan independence, and argue for a slowdown in democratisation," says a political analyst at National Ching-

Many analysts assume that President Lee formed his National Unification Commit-tee in a desperate bid to please both the KMT old guard in Taipei and the Communists in Peking. The DPP suspects that the KMT would sooner make a secret deal with the Commu-

nist Party under which it would stay in power than see complete local democracy under another party's rule: both the KMT and the Communists fear that if the Talwanese could rule this island, they would opt for forming an independent country.

The fourth factor is thus the

people, and they are the most unknown quantity. Every opin-ion poll concludes that the vast majority approve of unity with a democratised China. But some analysts insist that the questioning is biased, that KMT ideology pervades educa-tion, and that even now people dare not express their real

views (advocating indepen-dence remains illegal.) Predictions are hazardous, but several things seems inevi-table. Big business will get its way and direct trade, if not direct large-scale investments, will happen sooner or later. The advantages to both econo-

mies are too great to miss.

"Mainland fever" will contimue to rage, and private contacts will flourish.

that will notified.

The Taiwan government is being practical in realising that this necessitates forming an arbitration and mediation body. But this would soon prove inadequate, and direct, open negotiations would have to start. In Taipei's case it would mean renouncing its claim to be the sole legitim government, and in Peking's case it would mean admitting that Taiwan's capitalist mode has come out on top.

they must take into account that pollution control has to be included in their projects. On the other hand, I would advise environmentalists that they must have patience and cannot expect to all the air to be clean overnight - it takes time."
He lists as his aims:

• "To stimulate investment confidence, which means I must try to remove all invest-

ment barriers: • "To have more money spent and more attention paid to technology research, and to speed up our upgrading of industries:

• To achieve active participation in international economic activities so we can promote investment and trade relations with foreign coun-

• "To restore economic order and discipline so that anything that is not healthy or not contributing to our economic order will be regulated. We are trying hard to liberalise our economy, but law and order is also important.

FOREIGN POLICY

Stalled on sovereignty

TAIWAN'S FOREIGN relations have taken three serious blows this year that make the basis of its foreign policy look more non-sensical and ill-conceived than ever.

Saudi Arabia, Taiwan's only middle-east ally and one of three significant countries still with embassies here, switched diplomatic relations to Peking in July. It was sudden, but not surprising. The Saudis needed arms from China, not money, which is all Taiwan can offer.

Indonesia and Singapore then announced their intentions to establish ties with Peking. They did not have dip-lomatic relations with Taiwan, but had maintained unusually close unofficial relations. That icaves only 27 countries re nising Taipel, of which all are international political nobodies, apart from South Africa and South Korea.

Seoul has now established ties with the Soviet Union and analysts say it will almost cer-tainly forsake Taipel for Peking in the next two years. It ominously ceased recently to refer to Taiwan by its official

ame. The self-styled Republic of China on Taiwan is determined to pursue independent foreign relations as a sovereign nation. Only if Peking stops trying to obstruct this policy will Taipei consider direct talks about reunification of Taiwan and mainland China.

This policy might sound con-tradictory and unworkable unless one knows the peculiar assumption on which it was made. The government in Taipel still insists that there is only one China and that it is the sole legitimate authority. For proof, says vice foreign minister John Chang, read the ROC constitution. To Taipei's way of thinking, therefore, it is neither espousing independence for Taiwan, nor a "Two

Chinas policy" as Peking maintains. "These accusations are totally groundless and unacceptable to us," says Chang.
Whatever Taiwan's own views on the sovereignty issue, it is clear that ever more governments fail to see sense or safety in sharing them. The foreign ministry admits that even those countries that have

recently switched recognition back to Taipel are asked only for recognition per se. They are not asked to pay lip service to

the sovereignty claim.

Moreover, all these countries are small, developing and badly in need of Taiwan's cash. Were Taiwan not sitting on \$65bn in foreign exchange reserves, there would be no logical reason for any of them to risk Peking's wrath.

Political analysts, and more than a few legislators, say that Taiwan's "pragmatic" or "flexibie" foreign policy will not work while it continues with the sovereignty claim, and will only continue until no more countries can be tempted by

Chang also agrees that other countries are confused by all the unification debate, and Taiwan's rapid moves to lessen tension across the strait by allowing increased people-topeople contact. But he does not see unification happening for perhaps another 20 years.

Citing the experience of the two Germanys, Chang says that a condition for unification is trust between the peoples and not just the governments He glosses over the indignance caused by Taipei's sovereignty claim, saying that trust is impossible while Peking con-tinues successfully to isolate Talwan internationally and refuses to let it pursue its own foreign affairs.

The sovereignty claim looks more and more like an obses-sive milistone round Taiwan's neck. Its substantive relations around the world are friendly

and improving.
But the rules of diplomacy can only be bent to a degree. Taiwan is preparing to recog-nise the existence of the Peking government next year for the sake of introducing local democracy. When it will go one step further and drop the sovereignty claim is uncer-tain. Cynics believe it will happen only when Taiwan runs out of cash.

However, to do it when the island is rich, democratising and opening up to the world would only earn it interna-

Peter Wickender

PROFILE by Peter Elliott

Call for hard work

approvingly. "Now working attitudes are improving and people are applying for jobs.
"Of course, you have to suffer low growth or maybe sometimes negative growth for one or two years before you can adjust all structures in the

right way."
Slew has considerable experience after 27 years in govern-ment service. This was mainly in trade and economic posts and included becoming direc-tor general of the Board of Foreign Trade in 1982 when there was negative growth. He comes from a Triwanese

farming family and is one of the few ruling party politicians who can mix and talk easily with the people. This gives him an advantage when dealing

with two of Taiwan's economic problems, the work ethic and environmental issues. He is now in the process of

djusting government forecasts for this year's growth, initially from 7 per cent to 5.2 per cent and now down to 4.5 per cent. Rapidly rising oil prices may push this figure down further. "Next year will also be very difficult for us," says Siew. "But after one-and-half or two years of adjustment we predict that the whole situation will be turned around."

The figure for next year could perhaps be even lower-than 4.5 per cent, but should "not be negative" because of large and long-delayed government and other infrastructure

Siew's reputation for mixing easily was enhanced recently when he helped to end years of environmental protests over a environmental protests over a planned hig naptha-cracking project at China Petroleum's refinery in Kaohsinng. Siew says the company has a "moral responsibility to have a good neighbour policy." He says that environmental lobby.

says that environmental lobbyists in general, who have become increasingly influential, are being "constructive" if they "make a reasonable appeal and push the government to pay more attention to environmental protection." But a purely negative environmen-tal approach was harmful to economic growth, as Taiwan

6

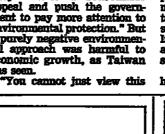
8

9

10

11

"That is why, on the one hand, I remind industries that





Vincent Slew

from one angle," says Siew. If you look back, not too many industries spent money on environmental protection or pollution control until environmentalist movements started to appear. So I do not have any sympathy with our industries."
It is not fair just to complain about environmentalists, he



Taipei, Taiwan

含 北 凱 悦 大 飯 怎

wouldn't settle for anything but the best

Feel the Hvatt Touch.

hotel in town."

2 Sung Shou Road, Taipei, Taiwan, Republic of China. about Hyart Hotels and Resorts worldwide, call your travel planner or in London call (071) 580-8197. In the U.K. call toll-free (0345) 581-666.

and the property parties of the commence of

WHAT

YOII'R F. MISSING

TAIPEI WORLD TRADE CENTER

TWTC helps you fill in the blanks. With International Trade Shows. information services. And over 300,000 export items on permanent display.

So if you feet that there's a blind spot in your Asian operations, we have the right prescription. Come to TWIC; and get the whole picture. See Us first. The word

TRADE: John Ridding

Change of direction

dynamic even by the standards of East Asia's fast growing economies, has lost much of its

in the first half of 1990, exports recorded their first contraction since the early 1980s, falling by 0.8 per cent to \$31.9bn. Officials at the Board of Foreign Trade expect meagre, if any, improvement for the year as a whole.

The reason for this downturn lies largely in a reversal of the factors which prompted Taiwan's dramatic export performance in the latter half of the 1980s. The NT dollar, which was undervalued in 1986, has appreciated by about 40 per cent since then, while wage rates have seen similar

The consequent loss of competitiveness has been exacerbated by the emergence of new, low cost exporters in South-east Asia, which are successfully exploiting the strategies previously employed by Taiwan, South Korea and Hong

As a result, Taiwanese man-ufacturers find themselves sandwiched between cheaper producers among the Asean nations and the market leaders in Japan, Europe and the US.
In spite of the current slowdown, Taiwanese officials are relatively sanguine. "It is not a very good performance," admits Chlang Pin-Kung, the vice minister for economic affairs, "but Taiwan is undergoing a period of transition." He argues that current trends reflect necessary adjustments

maturing economy.

One of these adjustments is a lesser role for the country's export machine. "We want to reduce our reliance on trade," says Chiang. "We have to develop our domestic market through consumption and

in the structure of the island's

Shen Ke-Sheng, director general of the board of foreign trade concurs. "It is natural to see some slowdown in export growth. We can't expect to keep expanding shipments by 20 per cent a year." At the same time, export industries are moving towards more capital-intensive, higher value from traditional labour intensive goods. Whereas shipments of textiles, footwear and apparel have fallen this year, exports of machine tools and computers have shown gains.
For many of Taiwan's com-

Machinery, electrical equipment.

Footwear, headgear, umbrellas ... Plastic and rubber, plastic and

Basic metals and articles

Toys, games, sports items
Vehicles, aircraft, other
transport equipment

Animals and animal products

Precision Instruments, clocks, watches 1.68

Source for both tables: Board of Foreign Trade, Ministry of Economic Atlaire

panies, however, particularly the small and medium manufacturers which dominate the industrial structure, such adjustments will be difficult.

They lack the capital to invest in automation and research and development and have often seen the best solution to the more difficult export environment as transferring production to lower

cost countries. While the more difficult environment is presenting Taiwanese exporters with tricky adjustments, it has also con-tributed to a marked lessening

One adjustment is a lesser role for the island's export machine

of trade tensions with the US, Taiwan's largest trading part-ner, which accounts for onethird of all shipments from the

Taiwanese and US officials express satisfaction at the reduction in the bilateral trade imbalance which has seen Taiwan's trade surplus with the US shrink from an enormous \$16bn in 1987 to \$12bn last year and a forecast level of less than \$10bn this year.

There is some disagreeme about precise figures. According to US department of commerce statistics, which identify US imports by value added and country of origin criteria, the reduction in the deficit is less than that shown by Taiwanese data which use a definition based on the final point of

Consequently, while Taiwan forecasts a fall in the trade surplus of more than 20 per cent for 1990, the US estimates a more modest 13 per cent

In spite of the discrepancy. which seems to reflect the increase in Talwanese assembly operations in lower cost action bases in the region, US officials are pleased with the progress made since the late 1980s. "Of course, there are some contentious issues remaining, such as intellectual property rights," says one offi-cial, "but the general situation has seen a great deal of

The declining share of exports going to the US reflects the Taiwanese government's pelicy of diversitying experis

33 15.6

7.8 6.8

TOP TEN EXPORT ITEMS

.. 10.33

1.79

and reducing dependence on American consumers. Exports to the EC have increased steadily, from \$3.2bn in 1986 to

about \$8.4bn last year. Trade with Asean nations has also grown sharply and the region as a whole now repre-sents Taiwan's largest trade

surplus. The last few years have also seen strong growth in trade with mainland China. Total bilateral trade, according to Hong Kong statistics, amounted to \$3.4bn last year as Taiwan exported manufactured products ranging from synthetic fibres to electronics and imported resources and raw

But the pace of trade expansion is now beginning to slow. There are constraints of hard currency and import restric-tions," argues Sheu, who expects only slight growth in two-way trade this year. More generally, he believes that the potential of the Chinese mar-ket should be seen not in terms of its geographical size and population, but in terms of its purchasing power and market

While export diversification has made progress, there are more worrying trends in the pattern of imports. In particular, the continued increase in imports from Japan, combined with only modest growth in exports, has prompted a sharp increase in the bilateral trade

Taiwan's trade deficit with Japan has climbed from \$3.7bn in 1986 to \$6.9bn last year and is forecast to reach about \$8bn this year, "This is a cause of much concern to us," says Chiang. He advocates a policy of import substitution, through direct investment by Japanese component manufacturers rather than through trade restrictions, as a means of resolving the problem.

Part of the difficulty is that Tatwan carries relatively little clout in bilateral trade negotiations. "We asked Japan to abolish quotas on leather goods for six years without success, says Chiang. "But the US got them to drop them in just one

Political considerations of a different nature are obstructing another of Taiwan's trade objectives – membership of

Taiwan submitted its application to join the trade organisation at the beginning of the year, but the reluctance of most countries to risk offend-ing China, walch is seeking. GATT membership before Taiwan, means that the world's thirteenth largest trad-ing nation will continue to be excluded from the most impor-

trade issues.	
EXPORT N	IARKETS
Country	% of total exports
US Southeast Asia Europe Japan Oceania Middle East Africa Latin America	36.2 18.9 16.5 13.7 2.8 2.2 1.9 1.8



BANK OF COMMUNICATIONS

Being a development bank in Taiwan, Republic of China, we offer full range of banking services, specializing in

> **Long Term Project Financing** and **Equity Investment**

91 HENG YANG ROAD, TAIPEI, TAIWAN TEL: (02) 3613000 FAX: (02) 3612046 TELEX: 11341, 21044 SWIFT: BKCMTWTP

Pleased to announce the opening of wholly owned subsidiary

Bank of Communications Europe N.V. offering a full rang of banking services from 15th October 1990

Bank of Communications Europe N.V. Atrium Building, Strawinskylaan 3027

1077 ZX Amsterdam, The Netherlands TEL: (020) 6610404, FAX: (020) 6612429 TELEX: 18337, 18357

TEXTILES

Competition, protection and readjustment

"A TEXTILE depression" is the verdict of Mr Phillip Chen, sec-retary general of the Taiwan Textile Federation, on the performance of the sector.

There is some justification for his gloom. Exports have fallen in value from NT\$301.48bn in 1987 to NT\$272.27bn in 1989 and their share of overall exports has fallen from 20.4 per cent in 1985 to 15.6 per cent last year. Employment has also declined, from nearly 200,000 in 1985 to less than 170,000 today.

There is no lack of explana-tions for the decline, and many of the factors reflect the general problems facing Taiwan's traditional labour intensive industries as the economy

The Talwanese currency has appreciated by over 40 per cent since 1986, when the US applied pressure on Talwan to correct the ballooning trade imbalance between the two countries. The currencies of South Korea and Hong Kong, Taiwan's principal rivals in the textiles industry, have risen by much less, and although the NT dollar has weakened by

Penetration of traditional markets is becoming more difficult

about five per cent this year, so has the Korean won. Labour costs have risen sharply, with average monthly earnings in the sector rising from NT\$12,340 in 1985 to NT\$18,585 by the end of 1989. Moreover, claims Chen, the industry has suffered from a shortage of labour as workers have been attracted to speculation in the stock market and a life of professional investment. tition from lower cost regional producers, such as Malaysia, Thailand and Indon-

Penetration of traditional markets is becoming more difficult, partly because of increased protectionism. Chen cites the recent case of a US anti-dumping action against imports of man-made fibre sweaters. Under the action, Taiwanese producers have been charged duties in excess of 20 per cent, far higher than those levied on Korean and Hong Kong manufacturers. protectionist weapon," says Chen, who argues that just the announcement of an investigation has a substantial impact

on Taiwanese exporters. In spite of these difficulties it is misleading to see textiles as a Taiwanese sunset industry. As with other labour intensive sectors, the current slowdown is more a reflection of a period of adjustment as manufacturers upgrade plant and equip-ment to cope with the new economic environment.

"We are in a very important transition stage," argues Mr Douglas Hsu, president of Far Eastern Textiles, Taiwan's largest textiles group. He compares the situation to that which faced Italy in the 1970s: "They had all the problems we are now facing, and they emerged much stronger from their restructuring."

Among the more important adjustments facing Taiwan's companies are the automation of production and other measures to promote productivity gains, a move towards higher quality, higher value added

Japan Financial Markets

Tahwan Trade and Industry

South Korea

Hong Kong

Malaysia

Thelland

China

1985 £165 Million

BRITISH EXPORTS TO TAIWAN

ARE BOOMING

For advice on how to tap this market, ask the Experis: ANGLO-TAIWAN TRADE COMMITTEE 7F WETTERN HOUSE, 56 DINGWALL ROAD, CROYDON CRO OXH

Telephone: 061 666 0440

Area Advisory Group to the BOTS

FINANCIALTIMES

1990 RELATED SURVEYS

FOR ADVERTISING INFORMATION CONTACT S PAKENHAM-WALSH

071-873-3000

FOR EDITORIAL INFORMATION CONTACT DAVID DODWELL

071-873-4090

production, development of independent brand names and diversification of products and

Some progress is being made. Far Eastern Textiles has cut labour costs to 15 per cent of total manufacturing costs through a programme of staff reductions and automation and is diversifying production into

The industry has suffered from iabour shortages and rising costs

hi-tech plastic products. Similar efficiency gains have also been achieved by the other large textiles producers.

Progress is also being made

in the diversification of markets. Whereas the US accounted for 38.6 per cent of total exports in 1985, it now accounts for about 28 per cent By contrast, exports to Hong Kong and other non-restricted markets have grown both in value and as a proportion of the total. According to industry analysts, however, there has been less improvement in research and development. Out of a total of NT\$26.1bn spent on R&D in 1988, only 0.65 per cent was accounted for by the textiles sector. In 1990, only 0.29 per cent of the govern-ment's NT\$6.6bn R&D budget will go to textiles.

The necessary adjustments are still more difficult for the large number of small companies which characterise the industry and for companies mainly involved in downtream activities.

Manufacturers of apparel and small spinning companies. for example, have been more adversely affected by the deter iorating export environment than producers of fibres. "The spinning side has seen a dras-tic reduction," says Hsu. "Inde-pendent small weavers are definitely out."

The more difficult environent facing apparel producers reflects both the relatively labour intensive nature of pro-

Smaller companies lack the capital required to invest in new machinery

duction and the predominance of small companies which lack the capital to invest in new machinery and to automate production.

Their response has often been to relocate to cheaper pro-duction bases in South East Asia and China. Taiwanese textiles producers are now a com-mon sight in Malaysia, Indon-esia and Thailand as they take advantage of cheaper labour and export quotas permitted by principal markets such as the US.

Taiwan in previous decades, textiles will provide an engine of growth. For Taiwan itself, this is likely to mean a further shrinkage in the sector as it loses its traditional comparative advantages. But, as Hsu argues: "Any company can succeed if it adapts to the changing environment. Even smaller companies can find and exploit their own specialty niches."

John Ridding

\$407 Million

March 15

May 16

May 17

June. 12

August 9

August 24

December

December

July 9

While some Taiwanese companies may have lost their way on the international take-over trail, others have clear aims to establish global

businesses in their own industries John Elliott profiles two -**President Foods and computer** manufacturer Acer incorporated

President has global ambitions

Food for thought

WE ARE not like some other Taiwanese companies which have a lot of money to spend, but do not know where to spend it," says Chen Ghin-Shin, manager of the planning division at President Enterprises, Taiwan's largest pro-cessed food group.

"Our company wants growth Internationally to become a global and diversified food company.

Four months ago President surprised the world's food industry when it best 15 other international companies with a US\$35m bid to acquire Wyn-dham Foods. The Georgia-based company is the third biggest biscuit manufacturer in the US after Nabisco and Kee-

It has set up a subsidiary, President International Trade and Investment Corporation (PITIC) which is registered in the tax haven of the British Virgin Islands, to hold its 100 per cent ownership of Wyn-dham and to carry out other foreign acquisitions, joint ven-tures and investments.

President owns 65 per cent of PITIC, the other 35 per cent being held by associates and

banks. President's sales totalled US\$1bn when the company's joint ventures and subsidiaries (which include 530 stores under the 7-Eleven name in Taiwan) are added to its own figure last year of US\$590m, 96 per cent of which was in Taiwan. Chen says the aim is to build

another US\$1bn annual turnover abroad within five years, including Wyndham's current The rest is to be achieved by

expansion of Wyndham, inte-gration of the two companies products, plus other ventures in food manufacturing, retailing and distribution in the US and Asia.

The company is currently pegotiating various joint ven-tures and is also talking about buying some 7-Eleven store chains outside Taiwan. If allowed to do so, it would also like to invest in China, where it has even been invited

to rear chickens for its Taiwan Kentucky Fried Chicken shops. President's interests range from edible oils and flour to pickles and frozen foods. Founded in 1967 in the Taiwanese city of Tainan, it is part of a group called Tainan which also includes Tainan Spinning and Universal Cement among

· Last year an allied company, President Securities, acting with other investors, bought 30 per cent of the Taiwanese sub-sidiary of Wang Laboratories, the US computer manufac-

President started its search for an international role five years ago, when it discussed selling between 29 and 49 per cent of its stock to General Foods of the US.

President would have bene-

fited by distributing products through General Foods, which

through General Foods, which in turn would have gained Chinese food technology.

That sounded like a perfect match, says Chen, even though there was some oppositon because "Chinese shareholders do not like to sell their companies". But the deal fell through when Philip Marris took over General Foods. President, with hindright. Is more than hindsight, is more than

Since then there have been nearly 20 joint ventures and distribution arrang distribution arrangements wan Japanese, West German and other food companies. But President decided it needed to internationalise on

its own, and once conside bidding for the Nabisco food group.

The attraction of Wyndha

which controls eight regional biscuit makers, is that it provides an opportunity for President to expand globally with product integration.

Wyndham was on the mar-ket because one of its main shareholders, Mason Best needed to sell to cover property

President's US\$335m was not the highest bid, but Wyndham considered it the most attractive because of the Taiwan company's long-term growth

Acer has slowed its overseas plans

Expansionist adjusts

ACER INCORPORATED, one of Taiwan's most internationally expansionist companies, is slowing down its overseas plans while it digests recent acquisitions and adjusts to both domestic and world economic problems.

But the company, which is

Taiwan's leading personal com-puter manufacturer, says it hopes to be back on its expansionist trail by late next year, with either a company acquisi-tion or a large new factory in Europe — probably to be sited in the UK, Germany or Spain — costing between US\$30m

na USSOUM. This reflects a continuing high technology Taiwanese companies as they seek to establish themselves in the big markets of the US and Europe. Formerly called Multitech, Acer was founded in 1976 by Stan Shih, its chahman, and

went public in 1988.
It hit the headlines three months ago when it paid US\$94m for Altos Computer, a Silicon Valley computer systems manufacturer, which it hopes will quickly correct poor sales in the US and improve marketing in Europe.

The Altos take-over followed a spate of smaller acquisitions over two years in the US and Europe which were aimed at gradually improving Acer's international sales and service operations.

Domestically there has been

74 per cent stake in a US\$300m joint venture with Texas instruments to manufacture dynamic random access memory (DRAM) chips, plus NT\$1.2bn expenditure on land for new headquarters outside Taipei.

A US\$20m manufacturing



plant has also just opened in Malaysia. "It's time to digest and to integrate all our investment efforts, which have been too aggressive and expensive because growth rates have not met our expectations, says

"Profit margins are too low
they were almost zero last
year — so we must be more
conservative."
He expects last year's pre-tax

earnings of US\$6.4m on total revenue of US\$689m (down from US\$27.8m on US\$531m in 1968) to improve to only about US\$15m this year on US\$900m

"In the past two years we have expanded too quickly and the personal computer industry is not so strong as before." says Philip Peng, Acer's vice president for corporate finance. "Last year we easily raised NT\$4.6bn in the buoyant Taiped capital market. This year it is difficult to raise money in Taiwan or, after the Gulf crisis, internationally."

Sales last year were split roughly equally between the US, Europe and the rest of the world, including Taiwan which accounted for about 12-15 per But Peng estimates the US share will fall to 20-25 per cent

this year because of problems
Acer experienced selling
through general dealers before
it bought Altos. The target at Altos, which made a US\$3.1m nine-month pre-takenver loss is to produce between US\$3m and US\$5m profits in the first year of

Acer's ownership. Economies have been made by combining the two compaand cutting some duplication

of research and development Unlike many Taiwan companies. Acer has diversified from original equipment manufac-turing (OEM) for sale under other companies' labels to own-name brands of equipment. At

present, 45 per cent of produc-tion is OEM and 55 per cent Acer label.

Shih says he prefers to keep a substantial OEM husiness to help maintain volume produc-tion and to enable him to resp the benefit of other compar marketing skills, which he ackowledges is not an Acer

strength.
Shih's ambition is to create a "truly global company" and that requires a substantial personal computer manufacturing centre in Europe before 1992 -which Acer has been consider-

ing for some time.
Whether that comes about depends on prospects in the world personal computer markets and on economic and financial prospects internationally and in Taiwan.



CHANG HWA COMMERCIAL BANK ESTABLISHED IN 1905. WE ARE THE LEADING AND BEST-KNOWN INTERNATIONAL

BANK IN TAIWAN. WE OFFER A FULL RANGE OF DOMESTIC AND INTERNATIONAL Provide: Complete Service Courteons Efficiency Banking Innovation

International Banking Department: 7th Fl. 57., Sec. 2, Chang Shan North Road P.O. Box 672 Taipei, Taiwan Tel. (02) 536-2951 (Switchboard) Fax: (02) 5114735 SWIFT: CCBCTWTP

Offshore Banking Branch 7th FL, 57, Sec. 2. Chang Shan North Road P.O. Box 672 Taipei, Taiwan Telex: 25544 Tel: (02) 5374460, 5374463

Tokyo Representative Office . Akasaka Twis Tower Main Tower 11 Floor, 17-22, Akasaka 2-Chome, Minato-Ku. Tokyo 107 Janua

Los Angeles Branck (to be opened on OCT 18, 1990) Wells Fargo Center 1 6th Picor, 333 South Gound Avenue, Los Angeles CA 90071, U.S.A. Tel: (213) 6207200-3 Thr: 49605006 CCBLA 49605007 CCBLA Fex: (213) 6207227

6790575 CHCBNY SWIFT: CCBCUS33 London Representative Office London EC2

New York N.Y. 10048, U.S.A.

International Operations Departm

P.O. Box 6/2 Taipei, Taiwan,

Telex: 11323, 11695, 24604

Tel: (02) 5621919 Fax: (02) 5374090

New York Branch:

Tel: (212) 390-7040

2nd PL 57., Sec. 2. Chang Shan North Road

32nd Fl. Snite 3211, One World Trade Center,

Fax: (212) 390-0120, 390-0121 The 67905/4,

Cable Address: CHBANKFD TAIPEI

Level 6, City Tower, 40 Basinghall Street, United Kingdom Tel: (071) 600 6600 Th: 8811682 CHCBLN Fex: (071) 600 3227

Tel: (03) 5837011, 5837015 Fax: (03) 5862959

Meanwhile China Rebar, a

steel and construction group

with no previous experience in

the financial sector, acquired Omni bank in California, and

intends to integrate it with a bank that it hopes to start in

Taiwan next year. Local experts say that a better way

for Taiwanese companies to gain financial expertise would be to take a stake in a success-

ful foreign bank rather than

make an outright acquisition

of a small and shaky one. But they concede that it is not in

the nature of the Chinese to

share control. Due to Taiwan's long trade,

educational and political ties to the US, its industry has been

reluctant to move into Europe. An endless stream of delega-

nars in Taipel in an effort to attract manufacturing and dis-

tribution investments. They

point out that the EC now accounts for more than a fifth of Taiwan's total trade, and

that the single European mar-

According to official figures,

250 Taiwanese companies have invested \$1.1hn in the US since

1959, 375 companies have put \$760m into Asia, while 52 com-

panies have invested \$253m in Europe. Although these figures are seriously understated, the

proportions are good indica-tors. So far, only Tatung, an electrical appliance manufac-

turer, has made a significant

manufacturing investment in

ket is close.

tions from EC states give se

INVESTMENT OVERSEAS: Peter Wickenden

Industry looks abroad

IT IS not uncommon to see trucks loaded with an oily heading in the general direc-tion of the coast. Although many of the small factories they come from have seen their heyday, these machines are not scrap. The destination in most cases is the Chinese mainland and the other relatively low-wage countries around Asia into which Taiwan is pouring manufactur-

Individually ,these are mostly small-ticket, low technology, labour-intensive projects. But so far they have featured more prominently in Taiwan's outward investme than the more glamorous large buyouts of hi-tech companies that have begun to occur in advanced economie

According to the economics ministry's Investment Commission, approved offshore investments by 180 Taiwanese comnanies totalled a record \$833m the first seven months of this year, a 261 per cent increase on the same period last year. Officials believe that the actual total may be seven

A breakdown of the figures showed the US to be the most popular target, with 61 projects worth \$261m, followed by the Philippines with 15 projects totalling \$122m. Malaysia, Thailand, Indonesia and Hong Kong (which probably means mainland China) also came

Taiwanese industry has been spreading its wings abroad since the 1950s, but only since 1988 has there been a rapid se. For small labour intensive companies struggling to survive the move offshore

protectionist quotas and of buying time. The government wage areas so long as the companies "leave their roots" in Taiwan and use the breathing space and profits to upgrade

roduction at home. The vice economics minister P.K. Chiang says he suspects that most of the 1,000 compa-nies that have moved to China are short-term opportunists who will pack up when wages begin to rise there. The minis-

Industry has been spreading abroad since the 1950s

try has therefore proposed that indirect investment in China only be allowed for low-tech ts in which Taiwan has already lost competitiveness.

According to Talpei's main economic think tank, the Chunghwa Institution for Economic Research, Talwan com-panies have already invested \$1.2bn in the Chinese main-land. For strategic and political reasons Taipei would rather

see the current "mainland fever" among Taiwanese businessmen cool off and more investment flow to other Asian formal diplomatic ties, the payoff is greater substantive recognition for Taipei and thus points scored in the battle for China's political clout and Taiwan's piles of cash. While investment in develop

ing economies may help Taiwan companies preserve market share and cut costs, they do not yield the greater management expertise or tech-nology needed for long-term growth. Larger and more forward-looking companies in the electronics, consumer goods, processed food and service industries are at the same time making strides in the US.

The last two years have seen three major US acquisitions by Acer, the island's largest personal computer maker (see Page 4), the purchase of Wyse Technology by an investor group that included Taiwan government funds, and most recently the purchase of Wyndham Foods, a major biscuit manufacturer, by President Enterprises (Page 4).

Merger and acquisition spe-cialists say cash-rich Taiwanese companies have made unsuccessful bids for many more, often ailing, US con-cerns. The analysts make a distinction between Taiwanese companies that want to become global by expanding vertically and transferring technology and management back home, and those with more ambitious but less

sed plans. amples of the latter may include Tuntex, a large construction and textiles group which has jumped into banking by buying un eight trou-bled savings and loans institu-tions in Texas. The company also announced earlier this year a plan to spend \$260m buying six US hotels that would form part of an international chain, and no less than \$100n on a massive real estate

Europe, but other companies are showing interest. Semi-official representatives of European countries based in Securities analysis say Tun-tex has over-extended itself Taipei say hopefully that they and has been scaling its ideas down after the Taiwan stock expect to see a last-minute surge of Taiwanese investment in their countries.

FINANCE: John Ridding

Primed for expansion

TAIWAN'S FINANCIAL sector has long been the poor relation of the real economy. While Taiwanese industrialists and exporters have expanded domestic manufacturing bases and moved with such impact into overseas markets, the country's financial institutions have lagged behind both in terms of sophistication and Internationalisation

But change, albeit gradual, is now underway. From the stock market to the banking sector the government is implementing a policy of liber-alisation and reforms aimed at creating more powerful and efficient financial institutions. We would like to be one of the financial centres of Asia. says Wang Chien-Shien, the finance minister, "so we have to liberalise our markets."

As a result, and after several false dawns, the government is in the stock market Plans submitted to the cabinet for final approval - expected by the year end - will allow up to \$2.5bn to be

invested in local companies. Each institution will be allowed to invest between \$5m and \$50m and foreign ownership will be limited to 10 per cent of the equity of any local

At the same time, the government is taking steps to increase competition in the domestic banking sector. Minority stakes in the three commercial banks - Chans Hwa, First Commercial and Hua Nan, which dominate the industry with combined deposits equivalent to about 40 per cent of the island's total - are to be privatised and regulations are to be eased.

The planned flotation was

hastily postponed because of the recent sharp falls in the stock market, but will go ahead once the bourse recov-More significantly, the gov-ernment is to issue licences for new commercial banks. Appli-

cations are to be submitted by the middle of October and the government is siming to decide the successful applicants by April next year. The requirements attached

to the new licences suggest that the new entrants are going to be formidable players. Minimum paid in capital has

been set at NTS10bn each, at least 20 per cent of which will be open to the public through share subscriptions. Given the stringent requirements, even a small number of new banks are likely to have a substantial impact on the traditionally pro-

C.S. Lo, chairman of Chang Hwa Commercial Bank, says he supports the introduction of new banks and welcomes the challenge. But he expresses concern about the impact of increased competition while commercial banks remain in commercial banks remain in the public sector. "Under the present regulations we cannot develop our business with a free hand," he says, citing gov-ernment control over the num-ber of staff, budgets and remu-neration levels for bank

"Some of our well-trained employees will be scouted by the new banks," he complains. New services are being introduced to prevent erosion of the bank's NT\$450bn of deposits, says Lo. These include the first 24-hour automatic cash dispensers in Taiwan.

Similar concerns are expressed by Liang Kno-Shu, chairman of the Bank of Communications, who argues that the three large commercial banks should be privatised before new licences are

Problems of restrictions and the increase in competition are also concerns for the 37 foreign

Licences for new commercial banks are to be issued

hanks operating in Taiwan. The most stringent restriction is the difficulty in obtaining local currency funding," says Pierre Cardonne, general manager of Banque Paribas in Taipel. "There is no bond market, so we have to rely on deposit taking which is limited by the size of the branch's capi-

the number of branches. Citi-bank, for example, pursuing a strategy of expanding retail banking services, is limited to The consensus among for-eign banks is that Taiwan has

Other restrictions include

become more difficult and will

Wang Chian-Shion

become still tougher over the next few years.
"Margins are tighter than they were in 1967 and 1968," says one, "and the introduction of new banks will make them

tighter still." The foreign banks are also suffering because of the slow-down of the Taiwanese economy. Much of their bu has traditionally been related to exports, which have con-

tracted this year, while the near collapse of the local stock market and more difficult business conditions have increased the number of bad loans and the risk of default.
But the liberalisation of the estic sector should also

bring opportunities to foreign banks. Changes made earlier this year in the ministry of finance's banking guidelines have allowed wider activities in the securities and trust banking sector, while the ratio of deposits to capital has been increased from 12.5 times to 15 times. The planned opening of the securities to foreign institutional investors is also wel-At the same time, the pros-

pect of increased competition in corporate banking is prompting foreign banks to diversify their activities. "We hope that husinesses such as mergers and acquisitions, private banking and euromarket business will compensate for any loss in our present reve-nnes," says Cardonne.

The prospect of a more difficult business environment has been a factor in a number of decisions to close or reduce the size of operations. Chemical Bank of the US is closing its branch office while Chase Manhattan is selling its credit card

However, these moves are being offset by new arrivals. The most significant is the opening of a representative office by the Bank of Tokyo, which is overcoming diplo-matic sensitivites between Japan and China to join Dai Ichi Kangyo, currently the only Japanese bank in Taiwan.

In a reverse move, Chang Hwa Bank, has opened a representative office in Tokyo, reflecting the growth in ove seas operations of Taiwan's banks. "Taiwanese banks should be more active in sup-porting the overseas activities of manufacturing companies," argues Lo, who foresees a greater international expansion following the relaxation of the government's traditionally

Like the other steps towards financial liberalisation, greate international exposure will take time to develop. The pace of liberalisation has been fairly slow," says one foreign banker, "but it is a complex issue and the authorities are

International exposure will take time to develop

probably moving as fast as

they can."
Wang expresses a similar sentiment. "We want to go as fast as we can," he says. "But we have to go step by step and we must be careful." As a result, few believe Taiwan will represent an alternative regional financial centre by the time Hong Kong reverts to Chinese rule in 1997. "We need to see free capital flows and currency convertability before Taiwan can develop as a regional centre," says E.M. Williams, country sector execu tive at Citibank, "In this respect Taiwan still has a way

STOCK MARKET: John Ridding

Curb on housewife's choice

THE TRADING room at Ting Kong securities in downtown Taipei has been unusually quiet in recent weeks. Invesed by the 70 per cent decline in the market index since February, watch the ranks of screens hoping for signs of a revival.

Even by its own volatile standards, the Taipel index has seen a remarkable year. From a high of 12,495 points on Feb-ruary 10, the market plumneted to a mere 3,135 on August 24. In between, the individual investors who dominate trading have engineered a

spin are numerous.

The liquidity boom fuelled by the economy's huge trade surpluses between 1986 and 1989 has been dampened by overseas investment flows and a sharp contraction in domestic monetary policy. An esti-mated \$8bn of capital flowed overseas in the first half of the ear, while the effects of exreased bank reserve requirements have become clear since

the beginning of this year.
Also, a government crackdown on underground invest-ment houses, which used their financial power to manipulate the market, prompted a further

The economic news has also been gloomy, in Taiwan terms st GNP growth is forecast at a relatively slow 45 per cent while corporate pre-tax profits, excluding the financial sector, fell by an average 31 per cent in the first half of the year. But many analysts regard the market's decline as a necessary step with some beneficial effects.

of the Taipei market, "says an analyst at one of the largest domestic securities companies: "All markets go through an adolescence. In Taiwan this is particularly painful because it has been even more of a casino than most.

How much this year's decline will dampen the Tal-wanese appetite for gambling is certainly open to question. But Taiwan's speculative tendencies will also have to contend with the determination of

The Taipei index has seen a remarkable year

the authorities to create a in particular, Wang Chien-Shien, the new finance minishas a number of cards up his sleeve. Perhaps the most important is the opening of the market to foreign institutional investors, a move aimed at allowing an influx of relatively stable investments. Under pro-posals issued by Taiwan's secu-rities and exchange commis-sion, selected foreign institutions will from the start of next year be allowed to of next year be allowed to invest a combined \$2.5bn in

Foreign institutions will each be allowed to own up to 5 per cent of any one company and total foreign ownership of Talwanese companies will be limited to 10 per cent of equity.
Such a move is generally welcomed. Local brokers and investors see an opportunity to

Taiwan's equity and bond mar-

foreign investors have long expressed interest in gaining access to one of world's most dynamic economies: "With the market currently in the doldrums, average price earnings ratios of less than 20 per cent, and good long-term prospects, the Taiwanese market is looking fairly cheap," says one analyst at a European securi-

ties company. But a number of institutions have also expressed reservations about regulations included in the market opening proposals drawn up by the Securities and Exchange Comlike the condition that they can remit profits only once a year and must keep their prin-cipal investment sums in Taiwan for 12 months. However, Wang has indicated that

amendments to these require-ments could still be made. In any event, foreign institu-tional investment alone will not cure all the market's illa. cracking down on underground nt houses which have used their enormous funds to manipulate the market, fuelling huge swings from one day to the next: "The government

the speculative steam from the Taipei bourse include the imposition of a 0.6 per cent transaction tax, a factor in the market's plunge but also a dampener on the rate of share turnover. The cabinet has also approved plans to allow up to 20 per cent of the state's NT\$40bn pension fund to be considering expanding the number of mutual trust funds. All these steps reflect a broader need for a shift in the balance of trading power away from individual investors who hold about 50 per cent of shares and account for about 90 per cent of trading. The opening of the stock market to foreigners is itself a reflection of the weakness of domestic financial institutions which have been unable to offset the influence of private investors,

including honsewives. Instinct and rumour rather than corporate analysis play a they know the names of the companies they are investing in," says Tarn: "But they don't know what they make or what their commercial prospects

may be."
At the moment their At the moment their instincts are probably that the bottom has been reached. Most analysts would agree: "We think a bottom is now forming," says Sunny Chen, President of W.I. Carr in Talwan. The huge capital outflows of the first half have started to slow the impact of tighter slow, the impact of tighter monetary policy has now largely been accommodated, while the crackdown on underground investment houses is

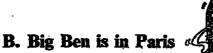
ground investment notices is nearing the end

The gulf crisis, with its implications for world eco-nomic growth and Taiwan's export dependent economy, remains a big question mark, but with the index already in the doldrums and with the prospect of foreign capital flowing in, the housewives at Ting Kong securities are soon likely to be busy again.

WHICH OF THE FOLLOWING IS RIDICULOUSLY TRUE?



A. Sumo is a form of ballet





Taiwan is not in GATT

D. Kangaroos deliver mail in Australia



It's silly, but "C" is the answer. The world's 12th largest trader has been needlessly excluded from the General Agreement on Tariffs and Trade, or GATT.

And that's not all. The Republic of China on Taiwan also possesses one of the world's largest foreign exchange reserves (US\$70 billion), and has Asia's second highest per capita income (US\$8,000) and is the second largest foreign investor in Asia behind Japan.

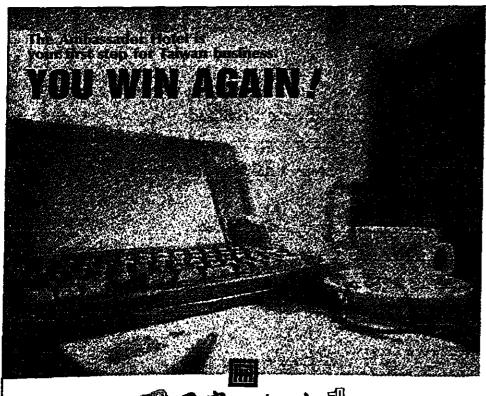
The facts make it hard to believe Taiwan is not in GATT. But not for not trying. On January 1, 1990, Taiwan formally applied to

enter GATT as an independent customs territory, under the names of the territory it controls (the islands of Taiwan, Penghu, Kinmen and Matsu). That should have eliminated any political hassles, since Taipei's arch-rival, Peking, had insisted that Taiwan could not enter GATT as a nation-state.

Then Peking retrenched by asserting that Taiwan should not enter GATT until Peking qualifies, whenever that might be.

Think about it. A GATT without Taiwan is like London without Big Ben. Sounds ridiculous to us! How about you?

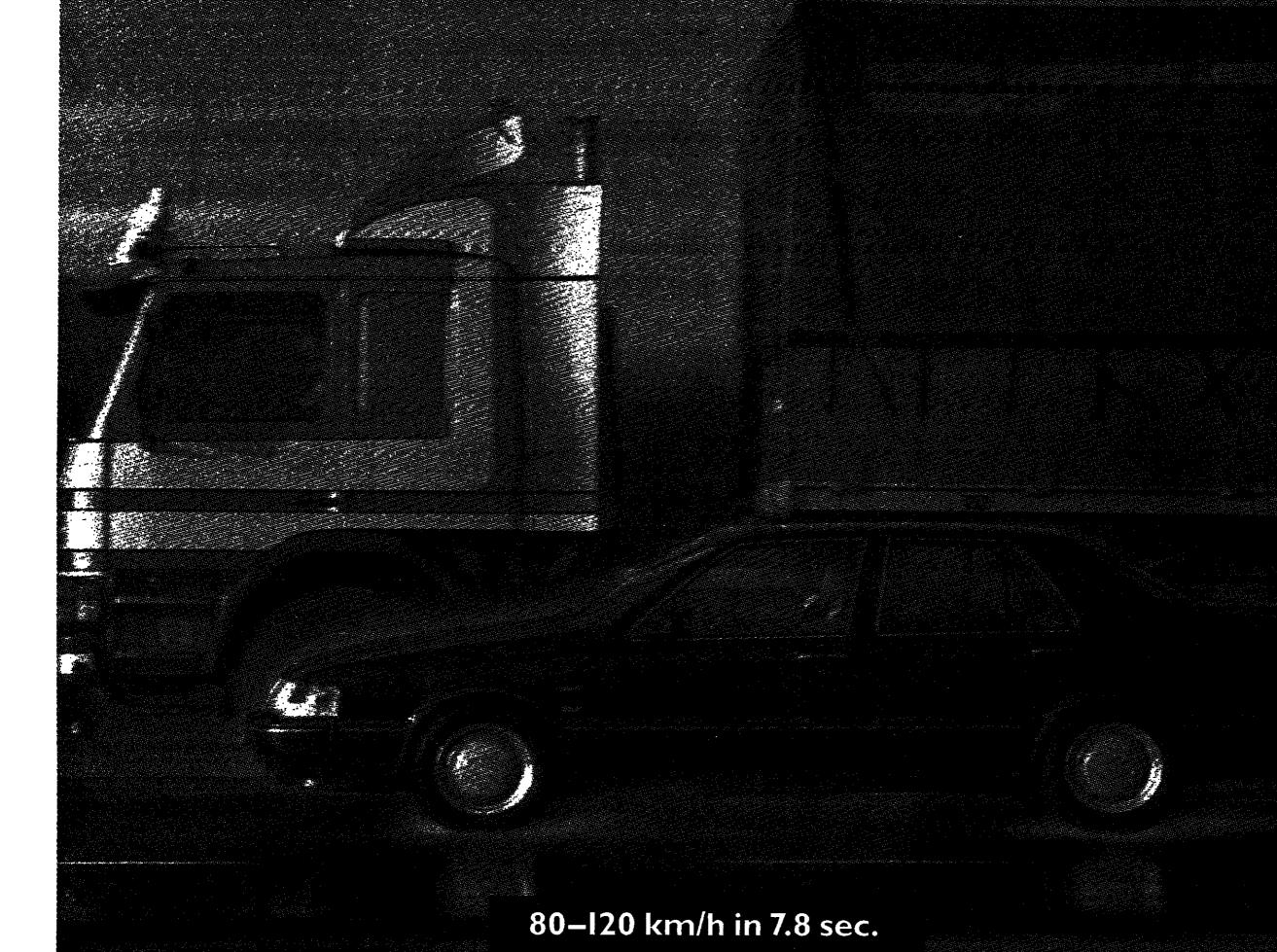




you're in Taiwan.

The Ambassador Hotel offers you comfortable V.I.P. rooms and also offers comprehensive business facilities. At the Ambassador Hotel we will assist you in achieving business success while

Saab hasn't just reduced the emissions.



THE NEW SAAB 9000 2.3 TURSO. Emissions: Approx. 20% decrease of hydro carbons and nitrogen oxides compared to our 150 hhp version. Fuel consumption, 90 km/h: Highway 0.71, city 1.16, combined 0.96 1/100 km (KOVFS 1988:1). Performance: 60–100 km/h, 5.9 sec (4th gear), 80–120, 7.8 sec (5th gear), 0.–100 8.0 sec. Torque: 330 Nm (DIN), 2000 rpm.

THE NEW SAAB 2.3 TURBO—an engine which combines emission control with the latest power enhancements.

With 200 brake horse power and a new generation turbo charger, it has greater force than most high performance cars when overtaking.

The driving power goes from 80–120 km/h in only 7.8 seconds (in 5th gear), and delivers maximum torque at 2000 rpm.

Remarkably, this turbo engine is also one of the most civilized members of the Saab family, with a fuel efficiency roughly equal to the 150 bhp injection version, and with a 3-way catalytic converter without poisonous warm ups.

Imagine, more handling power without more cylinders to feed, reducing both overtaking time and pollution.

The new Saab 9000 2.3 Turbo. It's pure power and pure pleasure.

The new Saab 9000 2.3 Turbo. Pure power by Saab.

SAA

For Michael Kerstein a British mobile proper dealer, doing business in France dealer, doing business in France trougher than he ever integrated.

We felt that because we were successful in England, we could emiliate what we saw from In France where we saw could smillate what we had done in France, where we say potential because the market was under-developed: But it is far harder than we thought," says an exhausted Remedia. Seiting up was easy enough. Starting from a rented office in central Paris two years sign, Euro Cetholar; the young British employ which Kerstein were her been has these in

DAY OCTOR

werks, for, now has theps in four cities, served by a French selectorce, and a 4 per cent stare of the mobile phone market. But it is not nearly enough — and Euro Cellular's Franch

connection is still losing more than budgeted for: What he did not foresee was that French houlds phone prious would stop by up to half in the following two years. Worse, this market showed nothing like the growth in the OK because of the govern-ment's policy of beeping a tight limit on ratio frequencies for middle networks.

H given another chance, Kur-stein admits he would have

in with a Frênch partner, rather than trying to manage single handed on only four

single handed on only four drys a week in France.

Yet there is no question of Finn Callular pulling the ping.

Treat have on it shirts to get better, says Kerstein. The next generation of mobile photos, due for trial in France. next year, will squeeze much more out of the existing capacity stall— unlike the present generation— will be competible across Europe.

But Gellular's trials and

Euro Cellular's trials and tribulations are echoed by Sofaces, a Spenish maker of bottle-caps near Toulanse; Humaner Plastiques, a German plastic injection monitor in St Aveld, north-capture France, and Ratistac, a Finnish company owned by the giant United Paper Mills, which makes self-adheave labels near Lyon in the south and is buffleting a new plant at Pomery in

Lyon is the court and is beforing a new plant at Pointey in the north.

All four newstanests got a warm official velicious, but most if them stand it harder than expected to make lead-way once established. Only two, Rafantic and Bhanner, are in include. The war influenced. en Sudpet. The rest philosophi-cally viewed their losses, or lower their crystest profits, as the inevitable cost of feeting a pole position in the European

single market.

It is knid to tell whether the ulties that they did

Triomphe over adversity

Newcomers generally receive a warm official welcome but, as William Dawkins explains, they will probably encounter more difficulties than they bargained for

encounter were of their swn making, simply the kind of problem foreign investors can encounter anywhere, or flaws in a French system that is still M'a French system that is son evolving towards economic lib-eralism. But the general impression is that France's mixed economy harbours an unforgiving market, in which the raies of the game may come under the influence of political decisions which are hald for newcomers to spot in advance. In two cases, mobile phones and bottle tops, the French market was so fragile that the arrival of a newcomer sparked a sharp full in prices.

Regional development authorities fell over themselves animerites her own memberes with grants and fix up bank con-tacts, earning high praise from Baflatac, Sofacap and Hum-mer. However, Raflatac and Sofacap, received generous offers of aid for magnitude locations in economically depressed or remote areas, a

classic trap of regional policy.

They both refused these incentives in favour of less aid in continercially sensible spots and are thankful they made that decision. "No amount of sid will persuade us to go where the transport costs are excessive," says Stephane Jan-sen, Soncap's director. Hunmer alone got investment aid for its first choice of location - next to its main polyethylene supplier near the Franco-German border.

Raffatur chose to build its first French plant in Lyon three years ago simply to get easier access to southern Europe.

By contrast, its decision to By contrast, its decision to open a second plant near Pompey, in Lauraine, had its reots in a political shall UPM had premised the French government it would create 100 jobs in the region as a quid pro quo two years ago for being allowed to buy Stracel, a French paper mill, there. "Since Raflatac that bean pushing for more capacity the UPM "Since Ratisfac had been pushing for more capacity, the UPM president said OK, you do it," says John Lessenius, charman of Ratisfac Prompty plant.

Latisfactius, fermerly a mill manager in Finland, was besteged by offers from rival development agencies to set up



local recruitment office, which focal recruitment office, which found it hard to satisfy his sim-plest requirement that candi-dates speak English, the group's main language. "They presented five or six candidates for one job who all

in the most economically depressed part of the region, the remote Vosges hills.

After some internal debate, UPM supported Reflatac's preference for Pompey, where the regional aid is less generous but motorway connections are second to none. Otherwise, second to none. Otherwise, Raffatac has been left to find its own way in France with minimum interference from

company or national politica.
Yet getting established is only the start of the battle.
"Once you are in, then your troubles start," says Timo Niem, manager of Rafiatac's Lyon plant. He and his colleague Lassenius have had very different experiences in finding staff, Like all the newcomers, they needed to look like a French company to their customers, which meant hav-ing a French sales force and innior management

Niemi picked up the core of his 18-strong team from a local paper maker that had closed down: Lassenius, however, had no such inck for his rather larger operation, which now employs 22 and will need 100 staff by the time the factory is claimed they were English speakers, but turned out not to be up to it. I could have used an international headhunter but they are all based in Paris and cost a ferture," says Las-

Neither did French manegers like taking psychological tests, obligatory at Raflatac. "We have a lot of democracy and freedom. For that you nee a special type of person," says

Local suppliers also had to adjust to Raflatac's management structure. They were used to dealing with the top man in typically hierarchical French companies, and found it hard - at first - to accept large orders from young managers in the decentralised Finnish newcomer:

"They would not believe that our French units had the right to buy, say, FFr 3m worth of machines, so they kept sending faxes to our head office in Fin-land," says Lassenius, who says colleagues at Stracel had

the same experience. Hummer also chose its French location for an unexpected reason. It set up over the French side of the German border five years ago, not spe-cifically to sell to France but to benefit from cheap French inuclear-generated electricity, low labour costs and cheap property prices in the former steel and coal producing region

of Lorraine Edda Hummer, the owner Edda Hummer, the owner and chairman, reckons her costs are on average 30 per cent less than they would be just 10km away in Germany, where she sells 70 per cent of output. Around 15 German companies near her have done the same and elegative places. the same and cleverly played on the differences of costs just over the frontier.
Hummer's only gripes are

the fact that customs costs plus the need to have an agent in Germany take up to 5 per cent of her turnover - a cost which in theory should be alle-visted if the European single market really succeeds in removing her local frontier post. "We paid FFr 120,006 in customs fines in our first year because we could not understand the regulations. Since then, I am glad to say, we have

received a bit more under-standing from the local direc-tor of customs," she says. Sofacap, the Spanish maker of PVC wine-bottle caps, crossed the border, three years ago because it saw little room for growth beyond its 60 per cent share of its home market. Chastened by the high failure rate of Spanish small business investments in France, Sofacap prudently recruited a French-man to head the project. Jansen, a former McKinsey consul-tant, was then running the Barcelona office of Datar, the

French regional aid agency. Having invested FFr 10m in its new plant, Sofacap is only just starting to break even. "We have lost FFr 3m over the pest three years. But it's the entry ticket that we have to buy," says Jansen, who reck-ins he now has 15 per cent of the French bottle-top market. merchants - and by 1968 two thirds of his turnover was still coming from just one customer, the Intermarché super-market chain. "They must get to know you. What made it harder was that because prices were falling, they were only prepared to buy in small lots."

"I underestimated the differences in the quality of the product required and in the amount of competi-tion... Even if it is only 200km away from Barcelona, it's a completely different market, says Jansen.

Beyond the shock of adjusting to the French market's spe-cial qualities, several businesses mentioned specific problems to do with banking, regulation and legal affairs. Red tape was onerous, though none of them found it a decisive burden because they all hired advisers to handle administration. Hummer jokes: "I would say France has many more regulations than Ger-

many, but they are not so heavily enforced here." Even with a French adviser in the background, Euro Cellular ran into a potentially expensive legal problem when it fired a salesman, only to find that he had the right under French law to claim for loss of potential earnings and to take his clients with him.

Raflatac, meanwhile, was disappointed to find that banks did not pay interest on inter-national fund transfers held overnight, a service quite nor-mal in Finland. It was also surprised by the complex matrix of social charges and local bares – "the most complicated payroll I have ever seen," says Raflatac's data processing

In general, these teething problems have done nothing to weaken the newcomers' convictions of the importance of the French markets. Euro Cellular plans to open four more stores in the next 18 months this time as franchises; Sofacap is about to raise venture capi-tal to fund its expansion, while Hummer believes it can double its sales in the next few years. The main lesson probably

applies to foreign investors anywhere. New players in France will probably need more time, patience and cash than they first think. Says Ker-stein: "Anybody coming here with a short-term view is in for

On top of this, it took far longer than expected to acquire customers. Jansen personally visited at least 600 prospective clients in his first two years — mainly small wine market to the added power base

Christopher Lorenz on Hewlett-Packard's eleventh reorganisation since 1980

was out celebrating Columbus Day on Monday, many of Hewlett-Packard's managers were but his departure was a shock. More significant are three other aspects of the reorganisation, none immediately obvious. First, the new structure pondering over the implications of a major reorganisation of the computer and instruments multinational which was announced on the eve of the holiday weekend.

On the surface, the three-faceted reorganisation seemed straightforward. First, the com-puter husiness is being res-sembled into two new units, divided mainly on the basis of sales channels instead of prod-

uct similarities, as before. One unit will now comprise workstations, mini-computers and networking products, which are sold through HP's own sales force. The other will include personal computers, laser printers and other peri-pherals, which will in future mainly be sold through dealers or as "original equipment" to

other manufacturers.
Second, a level of manage-ment immediately above the computer business has been removed, with its head moving into a joint "chief executive office" with HP's chairman, John Young. HP has thereby re-established in formal terms its founders' tradition of operations and the statement of t ating under double-headed

leadership.
Third, responsibility for computer sales is being transferred from a separate marketing organisation to the two new business units; this represents a sharp shift in HP's matrix organisation from its geo-graphic side (national and regional subsidiaries) to the husiness units.

HP managers ought to be used to reorganisations by now - since 1960 the company has now "evolved", as an insider puts it. 11 times. But they were right to ponder. For, as with IBM and ICI's confusing recent corporate reorganisations (this page, September 14), there is much more to this one than meets the eye.

For one thing, HP revealed

on Monday that the long-standing senior manager who on Friday appeared to have been elbowed out of line manage-ment into a "special assign-ment" actually left at the weekend to head a small com-pany. HP holds a stake in it;

other aspects of the reorganisation, none immediately obvi-ous. First, the new structure partly answers persistent alle gations among Silicon Valley observers of inadequate crossfunctional and other co-ordina tion within HP's computer business. It gives the two new computer heads, with their separate organisations, almost as much power as a controveras many power as a controver-sial executive, who had com-plete charge of HP's computer business for a brief period between 1982 and 1984, before being pushed sideways because he had ruffled too many feath-

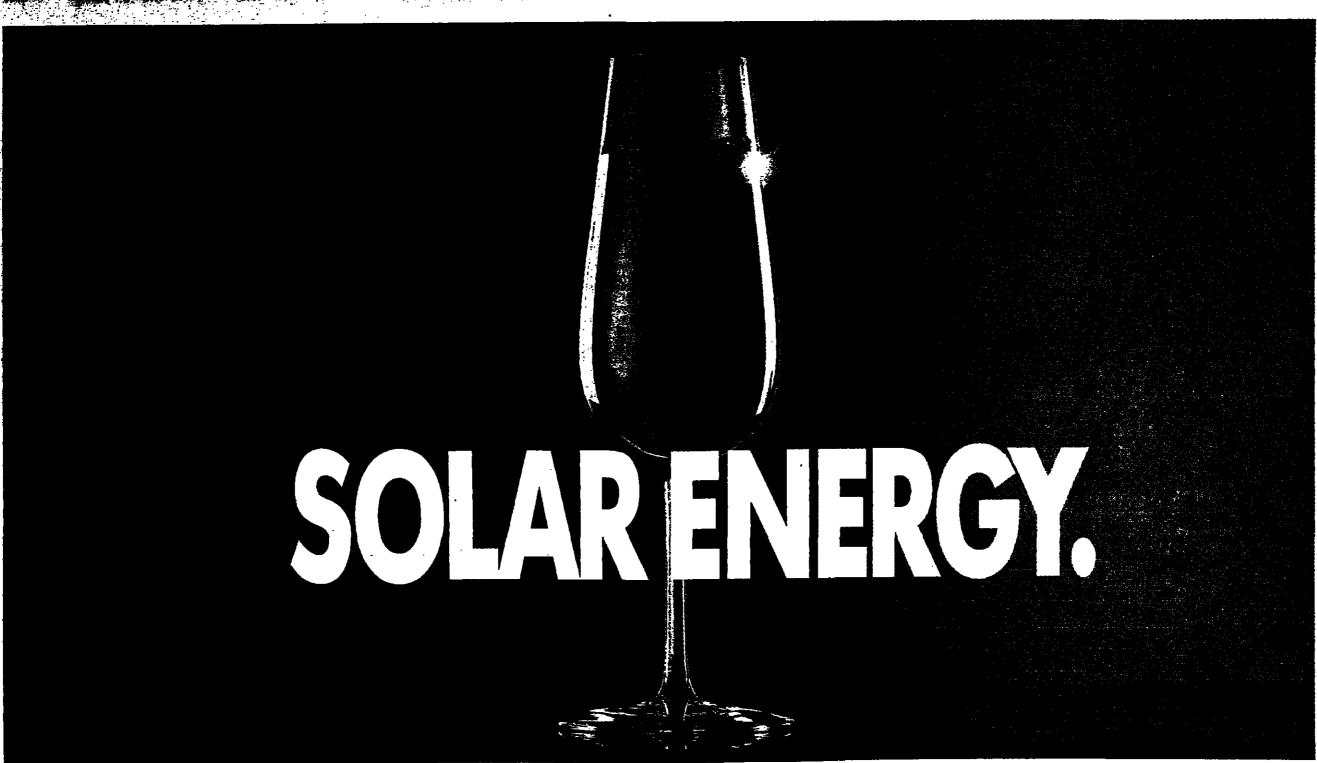
ers. He eventually resigned. Second, it establishes several youngish executives (aged between 47 and 53) in competition for succession to John Young and his colleague in the chief executive office (both are around 58, and are expected to

retire by their early 60s).
Third, it takes a very different route from that of IRM towards the universal corporate goal these days of delayering, cutting costs, speeding decision-making, and alto-gether getting "closer to the customer". IBM responded in July to the computer indus-try's current was - stagmant sales and soaring competition - by putting increased empha sis in its European marketing activities on the geographic

side of its matrix. Faced with much the same set of problems, HP has done the opposite, transferring direct line responsibility for sales from its national and regional subsidiaries (under the segle of central marketing to its business units.

This apparent contradiction between IBM and HP is explained by the very different organisational directions from which they have come to confront these problems: IBM from a centralised tradition, HP from a highly decentralised one. To inject new energy and creative tension into their organisations, the two companies need to take apparently

opposing steps.
As with the contrast between the restructuring of IBM and ICI, it all goes to show that there is no single formula to suit different companies fac-ing the same challenge.



Have a little pick me up before you get back to work.

Iberia's Business Class always welcomes you with a glass of sherry. A taste of Spanish

sunshine to whet your appetite for the delicious meal ahead. And afterwards relax and take advantage of our unique, multi-lingual, on-board library.

Efficient and professional but warm and hospitable. That's how we think business should be.

WARM TO THE EXPERIENCE

Cassettes still keep the beat

THE PROBLEM with recording industry is that they make lovingly-assembled col-lections of music redundant.

Purchasers of compact disc players have to decide what to do with their shelves full of vinyl People who have accu-mulated dozens of cassette tapes over the years have to start all over again when they buy digital audio tape (DAT)

players.
This week, Philips, the Dutch electronics group, said it had an answer to the problem, at least as far as cassette

tapes are concerned.

It announced that it is devaloping a tape player which will be able to handle both digital be able to handle both digital tapes and conventional cassettes. The digital tapes will have sound quality equivalent to that of compact discs.

Philips said that the Digital Compact Cassette (DCC) will be appliable from the barden.

be available from the begin-ning of 1992. Based on a new, unspecified, coding technique, the DCC players will be designed for home, portable

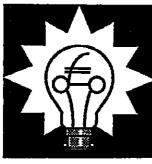
Philips said that as well as playing pre-recorded digital cassettes and standard analogue tapes, DCC owners will be able to record on to digital

Previous advances in recording technology, such as DAT, have raised the ire of the music industry, which fears it will lose royalties through pir-

ating.
Philips said, however, that
the DCC recorders would contain a device to protect the rights of the music companies. DAT recorders allow users to make one copy of a CD, but ring recordings from one tape

Philips said that several major music companies were participating in the development of DCC. They include PolyGram, a subsidiary of Philips, RMI and Bertelsmann. Tandy of the US is also participating in the development of

Philips said it was also talking to Japanese electronics companies which would help with the development of the



PRIVATISATION

ritain's fragmented renewable energy industry, long noted for generating as much controversy as electric-ity, is once more moving up the political agenda.
Faced with the need to curb

emissions of carbon dioxide, the main greenhouse gas, the Department of Energy is trying to shed its reputation for hostility to renewable electricity sources such as the wind and the sun. One of the few new targets in last month's white paper on the environment was for 1,000 megawatts of renewable capacity to be in place by the end of the century - a tenfold increase, if Scotland's hydro-electric plants are excluded.

But the government's recent renewables initiatives have been bitterly criticised by scep-tics within the industry, who warn that electricity privatisation could bring further prob-lems for the struggling sector. Colin Moynihan, the new energy minister, brushes off such doubts, insisting that he will champion the renewable sector: "In order to have a bal-

anced energy programme, it is very important to place empha-sis on renewables," he says. Electricity privatisation has ushered in a new method of subsidising renewables. In future, they will be supported by a levy on all electricity users, known as the non-fossil fuel obligation. It will bridge the gap between the price of generating electricity from renewables and the price of conventional electricity, as reflected in the new electricity

market or pool.

The first list of projects to be supported by the renewable levy was announced last week by the Office of Electricity Regulation, the industry's regula-tor. A total of 75 projects with a combined output of 102 MW have qualified for this first Philips said it was also alking to Japanese electronics from tiny bydro projects with a capacity of just 0.04 MW to an established waste-burning scheme in north London with a capacity of about 27 MW.

Michael Skapinker David Thomas on the viability of alternative sources of electricity

A renewed source of scepticism

the levy account for more than two thirds of the total capacity. Dotted among them are a new breed of entrepreneurs who are beginning to view renewable energy as a chance to make money, as much as an ecologi-

cally worthy pursuit.

Cheshire-based Land Fill Gas Limited, for example, managed to secure levy support for eight projects for generating electricprojects for generating electricity out of gas from waste dump sites. Bill Lee, the company's chairman, predicts that the levy will help to foster "designer waste disposal sites, specifically intended to harness all gas produced, so that higher levels of efficiency and lower levels of costs can be lower levels of costs can be

> Projects supported by the renewables price levy No Capacity(%)

Landfill and

And yet the process of agreeing the first batch of schemes has left an astonishing residue of bitterness in much of the industry. The most general complaint is about the disapintly small scale: their combined output of 102 MW is, after all, less than that from a small coal-fired station.

Jim Halliday, chairman of the British Wind Energy Asso-ciation, describes the less than 30 MW of wind energy sup-ported by the levy as "embar-rassingly small". He compares it with the 555 MW of wind steit with the 525 MW of wind stations already built by Denmark and the 500 MW planned by the Netherlands for the middle of the decade.

The association is particu-

in the special or which is a winter of

have been unviable without larly critical of the eight-year time limit set on the renew levy by the government after discussions with the European Commission. "The 1998 cut-off will become more and more will become more and more crippling for wind energy and the other renewables as the period for repayment of capital becomes ever shorter," it says.

More specific complaints are directed at the way the authorities assessed the first batch of renewable register. "The whole

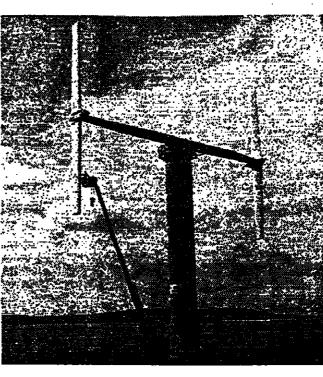
renewable projects. "The whole thing was a put-up job. It was a total farce," says Rupert Arms-trong Evans, who runs a Com-wall-based hydro-electric busi-

Armstrong Evans had draft contracts with South Western Electricity, his local electricity company, for six small hydro schemes. But he says that four were deleted in the last few weeks at the insistence of the Office of Electricity Regula-tion. In a complaint echoed by many small electricity producers, Armstrong Evans com-plains of a lack of information about the criteria used to ssess renewable projects. In the Department of

Energy's version, the sequence of events ran broadly as follows. The government had received details of 370 projects by last autumn, when the first call for proposals was made, although some of these were alternative proposals for the

Two developments served to weed out some of these projects in the early part of this year. First, it was indicated that eligible projects would have to produce electricity at a long-run average cost of not much more than 6p a unit (kilowatt/hour) — compared with 4p-4.5p from a new coal-fired station. Second, at Brusinsistence, the levy was to be phased out after eight

These conditions scared off



Europe's largest wind turbine, in Carmerthen Bay, Wales

some projects. Eventually, some projects. Eventually, some 240 were sent for consid-eration in April by the regional electricity companies, which scrutinised them on technical and financial grounds. Draft contracts were signed late this summer by the regional com-panies with about 100 projects.

These 100 projects were forwarded to the Office of Electricity Regulation which screened them for technical, financial and environmental acceptability. The regulator then gave his blessing to the final 75 last week.

This cumbersome procedure seems almost tailor-made to fuel deep-rooted suspicions among many small producers that they are viewed as an embarrassing irrelevance by the authorities. "I'm sure they've been told to knock out as many small producers as possible because of the inconvenience," claims Armstrong

The government's apparent unwillingness to announce clear guidelines for the levy seems also to have set the industry's rumour mill working overtime. For example, many small electricity produc-ers treated the 6p a unit target as an absolute cut-off point. The Energy Department now says this was a misunderstanding: some projects supported by the levy are generating electricity at more than 9p a unit. No doubt some allowance ought to be made for the fact

that the Energy Department

and the industry's regulator were operating a new system to tight deadlines. The depart-ment has announced that a second tranche of renewable projects will be supported by the levy next year, coupled with a special levy at a higher rate for wind generation. Les-sons learnt this time should allow it to be more smoothly and openly administered.

The government is also plan-ning a full-scale review of ning a full-scale review of renewables designed to establish how they will meet the new 1,000 MW target by the end of the century. Moynihan seems inclined to launch regular tranches of support for renewables using the existing levy up to 1996. And he is open to the suggestion that the government may need to seek ernment may need to seek European Commission support

for extending the levy.

The review will also consider the further implications of electricity privatisation for renewables, since once privatised the regional electricity companies may become even less inclined to spend valuable management time evaluating

often tiny projects.

Moynihan is optimistic that renewables could provide 24 per cent of Britain's energy by the year 2025 (large undevel-oped projects like the Mersey Barrage would account for much of that). It remains to be seen how the government's new-found enthusiasm will be translated into tangible results

IBM loosens its proprietary grip

he world's foremost proprietary computer man-ufacturer, International Business Machines, will today yield another inch to those companies which want to see common personal computer standards adopted throughout the industry. A consortium of manufacturers are joining IBM to help promote an IBM par-sonal computer standard that is proving slow to take off. The move towards a com-

mon standard has become so strong that IBM is encountering difficulty in persuading big corporate and governmental customers to accept its PS/2 personal computers equipped with Micro Channel Architecture (MCA), according to sources close to the company. MCA, launched three and a MCA, launched three and a half years ago, broke with the previous personal computer standard for internal commec-tions, known as the AT bus standard.

With the debut of MCA TREE

With the debut of MCA IBM made much of its intentions to enforce vigorously its intellec-tual property rights. By doing so it may have scared off early "clone" attempts. Market-research reveals the 94 per cent of the MCA-equipped PCs

sold are IBM's own. "Over 375,000 MCA PCs were sold in Europe last year and 355,000 were IRM's." It is not a PC market, it is an IHM mar-ket," said Giulio Maleci, PC strategy director of Olivetti Systems and Networks.

Pressure from its customers has convinced IBM that additional action is necessary on its part to encourage compa-nies to invest in MCA. Without credible second source suppli-ers, MCA would be branded as

The amouncement legitimises MCA as another open architecture in the market. Looking down the road, it allows MCA to become the one standard for 1993 and beyond. For the first time it enables any computer manufacturer to go out and build a PS/2 compatible machine without any hindrance," said Peter Horne,

managing director of Apricot.
Today's announcement of a
consortium, called the Micro Channel Developers Associa-tion (MCDA), will be made in New York by Robert Carberry, a technical vice president of IBM, and representatives of 14

mens.
"NCR shares a conviction that the Micro Channel Archi-tecture should be the platform of choice for system developers," says Jim Van Tassel, an NCR vice president

The consortium will strive to make relevant specifications available to its members to ensure that all MCA equipped PCs are truly compatible with the IBM standard. MCDA's establishment justi-

fies the concerns of those who have invested considerable research and development in copying the functions of MCA. They claim that without a common standard IBM was free to mon standard in was nee to "move the goal posts" to maintain a competitive advantage over other PC suppliers:

"MCA development was more difficult because it was 't compensation of the time.

an open standard at the time an open standard at the time but nevertheless we put in the resources and went shead and developed it, a said Richard Stone, PC Marketing manager of Olivetit Systems and Networks in the UK.

"In the short term MCDA is not likely to impact on our parallel product development line. It remains to be seen what its effect will be in the longer

effect will be in the longer term." he adds. Olivetti offers both MCA and the enhance industry standard architecture (EISA), spearheaded by Com-

"What is going to make the difference in the longer term is how open IBM is prepared to come with MCA and how much input we have in the evolution

input we have in the evolution of MCA. The same comments apply to EISA. At the end of the day, the market will decide the standard," says Stone.

The formation of MCDA is widely interpreted to counter the EISA "Gang of Nine" which is also struggling to establish its own 32-bit enhancement of the original AT standard.

EISA was formed by com-

EISA was formed by computer manufacturers who objected to the proprietary nature of IBM's MCA designs. At the time that EISA was formed it was held by Compaq that MCA would never become a standard and that a new, more powerful standard based on the AT bus was requi performance PCs.

Paul Lavin

IF YOU NEED RELIABILITY, TRUST OK _NOT TO LET YOU DOWN.

In the laboratory of a hospital, an OKI Page Printer is silently printing important test results. In a place where every second counts, where emergencies are part of everyday life, the doctors have to rely on their printer no matter what.

But OKIs are designed to meet the highest standards of reliability. The printing is assured by the advanced patented LED technology. And before leaving the

walker in the second of the

factory, the 3 Page Printers and the 7 models of Pin Printers go through 27 rough and demanding tests. They're ready to face up to any real life

So if you're looking for a printer that doesn't require special treatment, you're looking for an OKI. For more information, see your OKI dealer: He'll tell you why the OKI printers' superiority in any con-

dition is simply a fact of life.

In the second of the second of

OKI. BECAUSE NOTHING'S AS CHALLENGING AS THE REAL WORLD.

OKI Systems (UK) Ltd • 750/751 Deal Avenue • Slough Trading Estate • Slough • Berkshire SL1 4SH • Tel.: 0753-31292 • Fax: 0753-69 3797

CHOOSE FOR 1991?

INFORMATION - PRESENTED IN A CHOICE OF THREE SUPERB FINISHES - THE FINANCIAL TIMES DIARY MUST BE YOUR CHOICE FOR 1991. The FT Desk Disry is an invaluable aid to management. Not only does it make day-to-day ing simpler and more efficient, it's also ispensable as a permanent ready-reference ree. In fact, it's like baving an internation ss database on hand whenever you need it. All information has been metical ed with everything easy to find and clearly laid out - just as you would expect from Europe's leading business newspaper, the Financial Times. After all, our reputation has been founded on interpreting the needs of business people everywhe

THE CONTENTS THAT MAKE IT MORE THAN A DIARY. Business Directory. Stock Market glossaries and top 100 interna banks. Business Travel. Surveys covering airports, car hire, hotels, visa and currency regulations. Statistics and Analysis. Graphs showing major international indexes. Detachable thumb-indexed address/telephone directory.

Diary Section. Suns from 3rd December 1990 — 2nd February 1993 and shows a week to view, international public holidays, number of days passed and left in the year—together with tax and calendar week numbers. Plus four months of the 1991 calendar on each page.

To match individual tastes and budgets, there's a selection of cover bindings to choose from – rich black leather, burgundy bunded leather or black leathercloth.

THE DIARY OF THE YEAR IN THE BINDING OF YOUR CHOICE.

THE CHAIRMAN'S SET.

A desk and pocket diary set bound in rich brown leather, finished in fine golding and complete in its own presentation box. Whether you give it to say "thank you" or keep it for yourself, it's sure to impress.

THE PAGE A DAY FT PINK DESK DIARY Equally at home on a deak or in a brieficase, the FT Pink Deak Diary with its innovative format gives you ample space for each day's notes and business expenses. It is covered in black bunded leather.



THE FT APPOINTMENTS DIARY Its unique two days a page format is divided into courly time segments. It is covered in black simulated leather with matching ribbon and plush cream paper with gilt edging.

THE FT PERSONAL ORGANISER. Beautifully produced with a black or burgundy leather

cover. It includes a fortnight-to-view Diary, Notes, Expenses
Addresses and Information (maps, UK and
as business contres guides and other useful facts). Befili packs available. <u>FT COLLECTION –</u> <u>A QUALITY PROPOSITION.</u>

What we've shown here is but a small sample of the wide range in the FT Collection, so why not send for the FT Collection colour brochure and see for yourself - it is packed with many invaluable business essentials from diaries to document cases. Contact us now on 071-799 2002, or write to FT Collection, PT Business Information Ltd., 50-64 Broadway, London SW1H ODB, or send your business card.

FIRST IMPRESSIONS THAT LAST All items will be doubly welcome if they are personalised with initials and/or surname in high quality, long-lasting, gold blocking. It's this kind of personal touch that enhances the pleasure and worth to the mer.

THE WORLD'S MOST APPRECIATED BUSINESS GIFTS.

ness gift services include - Gold bloc of your logo • Up to eight publicity pages in the disries and personal organiser • Direct despatch of your gifts to the recipients together with your compliments slips or greatings cards • Samples. We will even reserve your choice of FT Collection gifts if you are unable to finalise your gift list early in the year.



Furthermore – order 25 items or more from the FT Collection and you will alify for discounts of up to 25%.

DISTINCTIVE GIFTS THAT MAKE GREAT COMMERCIAL SENSE. Contact us now on 077-789 2002 for more details on our business gift services, or write to FT Collection, FT Business Information Ltd., 50-64 Broadway, London SWIH 9DB.



FOR YOUR FREE FT COLOUR BROCHURE RING 071-799 2002 NOW! ORDER FORM the the quantity and type of dist) 2. Indicate how many tems you wish to have gold blocked with your middle and/or

ere and Appointments Chary	13.05	15.90	1437	
PERSONAL ORGANISERS	\perp		1	Н
um mas dischisation	38.73	40.01	3174	Н
an an Bergustylander	39,73	49.03	39.74	⊢⊣
PERSONALISATION	 	+	36.74	∺
ren e-m initiationly	186	196	186	${oxdotag}$
يترومي أحداد	3.40	 12	 18	∺
M prices alsown are harlygony of purpose and purpose Parent pillipite you larticle maker symmetric designs a The Chamerook Spirits and and has been a fine state.				
HOW TO PAIL BY PHINE. You can pay by an officers by the Line (2) 1 784 2274.				-17
Line (177 730 2274. BY FAX. If you wish to pay by droot could you Could the Clother Line (177 700 700).	والمرابع مدادات		~	
WHAT. Return the cutof from white ware			- 1	
Pagnissia Prest excompany year decing. Nada poppuri mada pagnisia to TT Baginass			CK Desc	Percel
Tris Market of Surman		•		_

please ring 071-799 2002

☎ 071-799 2274

LYON SIENNALE DE LA DANSE

T 96, Martha Graham remains the most famous name in modern dance, and she is still choreographing. But what price longevity? You don't need to hang around the dance world for long to hear of the decline of both her current creativity and her old repertory. ..

September (Alla)

FISA Was formed by

At the time that we

The Ball and I seemed

A.S. M. A would make

a stundard and the i

त्रातः विज्ञाति **वर्षा**

CONTRACTOR (CORNER C.

- VIE

Andrew Control in the second of the second o

NAME AND COLUMN

Property of the Control of the Contr

الركوات الايواد الاي مراجع الايواد الايواد الايواد

And you don't need to have watched her company for many years, to see that the talk is justified. As with the ctress Bette Davis (who, by the way, once stadled with, and worshipped, Graham) the more recent the work, the less audacious and original.

Because the Graham company hasn't returned to Britain since 1979, and because it still keeps reviving important older works, I took the chance to see a programme of five works it was presenting at the Lyon Biennale de Ja Danse. Perhaps it was not to be expected that Graham's late-1940s choreography would

Sealed to seem remarkable as psychology any more, but I was dismayed to observe how two care great works. Diversion of Angels and Errand into the Maze have become distorted.

What is the last two care great works. Diversion of Angels and Errand into the Maze have become distorted.

Where I looked for scalptural tension, I found voluptuous exercises in Graham technique. The new luxuriance turns Graham psycho-drama into glorying masochism. And what chighous! Half smood, half beehive.

The two great events of the

The two great events of the were from the late 10000 always startling to see just Lyon programme, however, were from the late 1930s, It's Country of Republic greatness was bound up with her high summer as dancer, se dances are distinguished by the quality of her energy, so clearly connected to

The same Deep Song (1937) is a solo, powerfully danced now by Joyce Herring, that abstracts the suffering of Spanish women during the Civil War. She dances on, beside, under, a bench; it is her seat, coffin, cross. Pride and pain are expressed together from the gut with singular momentum. The woman's spirit is

> Steps in the Street, made for a large group of women and. one female soloist, is a suite of three dances - Defautation; Without Family; Exile - from Chronicle (1996). These pictures of the American Thirties still threb. People retreat, pound, march, are driven along, regroup, intermesh.

So briskly, too. I thought of the dark totalliarian pounding of Bushy Berkeley's Lallaby of Broadney and the luminous finidity of Balanchine's Scientific of the Balanchine's Seventing of the Depression. Steps in the Street offices a view of Gridham we schlost see folay opticals the history books. The committed and socially conscious Graham

Just nemeless women en the move, but bringing a

Alastair Macaulay

Martha Autumn spectacles

nd still they come, the new series for the autumn season. Of course many are "new" only in the sense that these particular episodes are not repeats: Canned Carrott (BBC1 Wednesday) for example takes Jasper Carrott into his 13th year on television, and switches him — unfortunately — from a live to a recorded former Carrott and the to a recorded format. Carrott was the man who began a new series a few years ago by walking into shot with a working television, proving that his show was live by flicking across to the other channels and inviting viewers to check for themselves.

It was a risky but telling gesture which would only be used, one assumes, by a true devotee of live broadcasting. Sure enough the sharp oroalicasting. Sure enough the sharp edge, that element of danger which comes from working without a safety net, is now missing. Last week's "Sweeney" spoof was nice, with the uninitiated young detectives listening in bewilderment to their guvnor's London slang ("We've got a whisper about a sparklers blag... the rumble came from my grass... I'm not saying a dicky bird till you give me a monkey" etc. But the till you give me a monkey" etc). But the atmosphere, that tingle which you get from watching a stand up comedian performing live, had gone.

However, it is not those returning series with which this week's column is

concerned but with the genuinely new ones, or anyway those that are new to this country. The most striking fact about the list is that so many of the programmes are American. The British have always watched American series, of course, thanks to the common language, the high production values, and the powerful cinema tradition established lished by Hollywood.

True, such programmes have invariably been met by a renophobic growl of anti-Americanism from some, but ever since Dragnet and Gunsmoke in the 1950s they have attracted hig British andiences, mainly, no doubt, because the series crossing the Atlantic have been the hest that America produced. Now for the first time, thanks to the rapid rise in television hours to be filled in British was even to be carting second. in Britain, we seem to be getting second and third rate American material. Nor is it turning up only on the new chan-nels. Presumably when Sky and BSB buy up some of the better material it forces the old channels to buy from lower down the American salesmen's

That, anyway, is my reasoning for the presence of *Doogie Houser*, *MD* on BBC1 (Wednesday). Perhaps the idea of a 15-year-old hospital doctor seemed good when first mooted, and maybe a lot of Americans go for its old fashioned and rather sentimental view of teenag-ers and family life, but to this British eye it merely looks absurd without the benefit of being truly farcical. More than likely the sale was also helped by the name of the producer. Steve Bochco who made *Hill Street Blues*. This new series is not in the same league.
Probably Fresno (CA Monday) was

cally furny at the planning stage: a saga of inter-family rivalry set among the raisin growers of California, complete with sary matriarch widow, con-niving son, nymphomaniac daughter in law, and an evil neighbour who is determined to do the Kensingtons out of their water rights. But all that is demonstrated, at great length, is what Kenny Everett proved years ago: that trying to parody Dallas is hopeless because you can never be more outra-geous and deadpan than the original

The two most notable new American The two most notable new American series are both being carried by Sky I: Alien Nation (Wednesday) and The Simpsons (Thursday). During the first hour of the blockinuster opening episode of Alien Nation I squirmed at the heavy handedness of the allegary: the "new-comers" from space, identical to humans except for their oddly decorated bairless skulls which look like humans except for their oddly deco-rated hairless skulls which look like fancy bathing caps, who face persecu-tion and discrimination. The re-writing of the Selma hattles over school de-seg-regation seemed embarrassingly obvi-ous, as did most of the other elements: the over compensating chauvinism of the newcomers' teenage gang, the con-tempt of the black policeman, and so

Then, during the second hour, the power of that familiar old American narrative drive began to work. The heavily flagged messages about America's melting pot philosophy and its benefits to successive waves of immi-grants faded into the background behind the strong story line which managed to plait together, with no great feeling of over-contrivance, a huddybuddy detective yarn, giant marauding insects, and a latterday Ku Khu Klan. It is not the most profound drams ever screened, but like so much that has reached us in the past 70 years from American cinema and television it has admirable "What next?" qualities, and a

very clear grasp of right and wrong.

The most heavily hyped of these new series, The Simpsons, looks like the sort of programme which (even if it were available to all British viewers and not treat the firm available to all Diffish viewers and not just the five per cent currently receiving Sky services) would always be more popular in the US than in the UK. The Simpsons are a slovenly, violent, and pretty thick working class family headed by Homer, a beer swilling worker at a nuclear power plant, and Marge, a housewife with a vast blue beehive hairdo. Central to the series is Bart, a cowardly and loud mouthed 10 year old boy with a weirdly crenellated head who is rude to his parents and always in trouble at school

In the US great fuss has been made because *The Simpsons* is a half-hour animated cartoon, because Rupert Muranimated cartion, because Rupert Murdoch's fledgling Fox network rapidly
made a big hit out of it with adults as
well as children, and because they have
now scheduled it against The Cosby
Show which is like sending a cocky
schoolboy into the ring against Frank



Without Walls': Nicholas Ward-Jackson weighs up a work of art

Tyson. American news magazines have run cover storles, and learned essays are being written about the surprise appeal of animation to adult viewers, and the new role of fuddy duddy net-work TV in ministering to a blue-collar constituency in the new middle-class age of satellite and cable.

But there is nothing new about the appeal of blue collar humour, nor about the adult popularity of cartoons: The Flintsones calebrated their 30th birthday last week. If you put them and Archie Bunker and The Honeymooners - blue collar types all - into a cocktail shaker and mixed well the result would be something very like The Simpsons. The worst aspect of the series is the actual artwork: crude modern drawing, with no subtlety in outline, colour or tone, and the animation itself kept to the cheapest minimum. The action is all in the foreground with no depth to the pictures. It makes the Disney fea-tures of the 1940s look like renaissance

works of art.
The Ritu Rudner series (BBC2 Tuesday) is not American, though the eponymous hostess is. Her quiet, quirky humour ("Men who have pierced ears are better prepared for marriage: they've experienced pain and they've bought jewellery") may well grow on us. On the other hand, that of Rab C. Nesbitt (BBC2 Thursday) will not, since

Gregor Fisher plays the title role of a sottish Scot with an accent so thick as to be wholly impenetrable.

We shall need more evidence before we can be certain about The Mary Whi-tehouse Experience (BBC2 Wednesday) tehouse Experience (BBC2 Wednesday) which delivered a lot of gags suitable for radio ("John Major says we are not heading for a recession. He also met Elvis at the deli counter") which is scarcely surprising since it is, of course, a radio series. So far there seem to be no dates for further television episodes.

Most promising of the new homegrown series is Channel 4's Without
Walls (Wednesday) an umbrella title for
an arts magazine which, in its opening programme, managed three highly original items: a story told in black and white stills; a splendid demolition job on the laughably overblown reputation of Van Gogh delivered by Griseida Pollock who not only knows her stuff and

speaks well but looks good too, a com-bination which should ensure her as nuch television work as she cares to have; and a fascinating analysis of Manet's pictures of the shooting of Emperor Maximilian. All that and there is still a fortnight to go before BBC2 even begins the big-

gest of the new American cult series, Twin Peaks.

Christopher Dunkley

Kennedy & Jones

ROYAL FESTIVAL HALL & RADIO 3

The start of the BBC Symphony Orchestra's 60th Symphony Urchestra's 60th birthday season went off in grand style. Under Andrew Davis, its chief conductor, they gave on Monday night a big, serious 20th-century programme - Webern, Berg, and Schoenberg, with Bouler's magnificent Rituel finely placed at mid-point - and placed at mid-point - and brought to it the commitment and flair that win friends and persuade people that concerts of this sort need not be thought of as obstacle-races filled with briar patches.

It no doubt helped, in the attraction of sudience numbers a good deal higher than usually gathered by this orchestra's events on South Bank, that two celebrated soloists not normally associated with Mod-ern Music had been engaged – Nigel Kennedy for the Berg

berg's Erwartung.

Mr Kennedy turned up on stage dressed like Count Dracula: shock of electrified black hair, face painted deathly white, black velvet gown with scarlet sheeves and white ruff, and only a pair of purple sneakers to contradict the mpression. The sartorial note is necessary, not only because viewers may welcome the warning before the BBC's forthcoming television relay of the same event, but because for a soloist in a work intended as a requiem for a beloved dead child, the violinist's dress style was so peculiarly inap-

Violin Concerto, and Gwyneth Jones as protagonist in Schoen-

Fortunately, however, his musical style was altogether more seemly. Since Mr Ken-nedy now cuts such a curious was good, indeed, to be

reminded that solid virtuoso technique and natural musictanship still form some part of it. His account of the Berg may have underplayed the Wiener-isch markings and aspects of the solo line - bittersweet. waltz-swaying inflections, ample, lyrical portamento – but he responded with flerce intensity and pure, well-cut line to the gathering storm-clouds in the musical drams.

With Davis and the orches-tra cultivating a febrile, highlycharged, and brilliantly detailed orchestral backdrop (the same approach as in their excellent Webern Passcaglia and Erwartung accompani-ment), the concerto emerged slightly narrowed in emotional range but heart-stopping in its pathos. If Mr Kennedy's careermanagers will allow such excursions away from Viv and Co., this performance creates a good basis for further develop-

ment. Dame Gwyneth also merita a sartorial note: taking the libretto seriously, she appeared on the platform wearing jewels and in a white dress dotted with roses, and looked utterly ravishing. She too needs to develop her performance a good deal further. The gaze was too often addressed to the score-stand, the words were mushy, and an overall dramatic progress through the monodrama still has to be built up. But the sound of that mighty isolde-cum-Elektra organ pouring itself with mol-ten vitality and heedless generosity into the anguished yet grand-scaled vocal line was utterly thrilling. How overwhelming Schoenberg with no holds barred can be!

Max Loppert

Fraulein

COLOGNE

Tucked away behind the Opera and the Schauspielhaus, the tiny Schlosserei is Cologne's workshop theatre. With more than a whiff of the nightclub about its black-curtained audi-torium, haphazard clusters of high bar stools and raised meon blue catwalk, it is the ideal venna for intimate drama like Fraulein Else. Written as the inner monologue of an upper class Viennese girl who pours out her angst and neuroses as fluently as if she were on the analyst's couch, Schnitzler's 1923 novella is not an obvi-ously theatrical work, but it is transformed here into a 60-minute play which leaves you dizzy with its psychological Freud called Schnitzler his

Fittingly for a play which centres on the distortions that occur when one is locked into one's own tunnel vision, the action in Alberte Barsacq's inventive production takes place within a panel of light just two feet wide. A black curtain hems in Else on both sides as she throws out her ghts; a cohort of alabaster faced men in white linen suits, hats and cigarettes poised, lie creepily motionless on the catwalk at her feet: elegant decadence beautifully fused

with suffocating convention. In one of several moments of pure theatrical magic, the most forbidding of the alabester figures comes alive as the grimly commerce-obsessed Herr von Dorsday (Volker Niederfahrenhorst) to pose the dilemma on which the play turns: he will redeem Else's suddenly bank-

SALEROOM



Katja Bellinghausen

rupt father from shame and scandal if she will strip for him in his hotel room at midnight. Will she, won't she, could she, should she? There is real suspense in this drama of a young woman awakening to a sense of her social position and sexual identity, and Katya Bellinghausen, a marvellously eloquent Else ("Die Luft ist wie Champagner", she intones, as if drinking in the words), demonstrates a vast emotional range, from girlish giggles through suicidal reverie to soprano panic, in her portrayal of the poor little rich girl who loses control when her com-fortable protected world is

Jackie Wullschlager

'La Damnation de Faust' in Paris

nfortably i the municipally-backed Théatre musical de Paris continues to steal the spasmod-ically operative Bastille's thunder. The ically operative Hamilie's triminer. The opening show of the new season, ambitious and resoundingly successful, is a staged version of *The Domination of Faust* conducted by John Eliot Gardiner, whose recording of the work for Philips was much praised, with the Châtelet's own chorus and the Philharmonia Orchestra brought from London for the five performances. The producer and designer is Yannis Kokkios, Greek-born, resident in Paris, evidently a tal-

ent to watch.

Berlioz designed his "dramatic legend" for concert performance, yet with
his passion for the theatre and high
sense of drama it is not surprising that
he considered a theatre version and
that producers have often laid hands on the existing one. Yet the first stage production did not come until 1893, when Racul Gensbourg took the plunge at Monte Carlo. There have been numer-ous productions since, including inter-esting ones by Louis Erio in Lyons and Lisbon, Béjart at the Paris Opéra and

The new version at the Châtelet must surely be among the most distin-guished. Kokkos being his own designer, both the conception and the visual side have a powerful unity. The style is fantastic-romantic somewhere between Bosch and Bérard - mainly dark, burnt colours, septa, dull glowing bronza, midnight blue. Red for the most part is withheld, symbolically, until we reach hell. There are touches of popular theatre, fairgrounds and circus. Not only is the total effect potent but there are striking images to carry away -Faust framed in a doorway with the Faist framed in a doorway with the plains of central Europe stretching behind him; Faust and Mephistophelès signing a pact under a gnarled tree. Movements of chorus and dancers (Kate Flatt is responsible for the "mouvements choregraphiques") are well coordinated. An admirable feature is the lighting of Guido Levi, master of chiaroscupp and atmosphere with the technioscuro and atmosphere with the techni-cal skill to pick out features in the convulsive murk. Naturally in a work of such complexity some scenes work better than oth-

cisely the pages where Berlioz, not bur-dened with theatrical limitations, lets his imagination roam most freely - for example in the transition from Auerbachs's cellar to the banks of the Elbe, where while the music guides us through space, Mephistophélès is seen bending over the sleeping Faust as if he were performing a surgical operation. And again in the Ride to the Abyss, where the air is full of flying dragons but the two principals clearly aren't moving at all. The upper part of the big stage is abundantly used: there is much trapezing, notably when the soul of Marguerite wings its way to heaven. Gardiner's conducting, with its rhyth-mic bite and clarity combined with flery lyricism, is even more impressive than on the recording. The playing of the Philharmonia, resounding splen-didly in the theatre's friendly acoustic, gives intense pleasure. The chorus is

advantage in the theatre — good qual-ity tone but no "lift" to the phrases, and little suggestion that this Faust can ever have been anything but an elderly The American bass-baritone Monte

Pederson is a commanding Mephistoph-élès, shaven skull, sinister features not unlike a famous Mephisto in Goethe's play, Gustaf Gründgens, a Cabaret top-hat from time to time. Though Pederson's line in "Voici des roses" was spectral, the quick pages like the Serenade carried excellently. Waltrand Meier's Marguerite was no shy betrayed girl but a woman of assertive, Wagnerian personality – if you can, imagine a Fricka who buys her clothes in Paris. The voice was uncomfortable, the Ballad urgent but prosaic, the Romance passionate but raucous. Only the sensi-tively shaped ending showed what might have been. Even so, the cor anglais solo was finer. I can't imagine a Paris opera audience more keenly atten-

Ronald Crichton

strong — I do not remember a more convincing performance of the cellar scene (a strong Brander from Réne Schirrer) .or of the student/soldiery imbroglio. Michael Myers, who sings

Asperts of Love (Prince of Wales). Andrew Lloyd Webber's latest is an intimate chamber operatic derived from David Gar-nett's 1955 novella. Musically neut's 1955 novella, Musically interesting and well directed by Trevor Nunn. A probable, but anspectacular, hit (839 5972). Burn This (Lyrio) Bitstering performances from John Malkovich and Juliet Stevenson in Lanford Wilson's play about the mismatch of graposites (432 2000). match of opposites (437 3686). Shadowlands (Queen's). Weeple about the love affair between

Extended until January
Man of the Moment (Globe) Nigel

New York

Falsettoland (Lucille Lortel). It will be known as the musical about Aids first hitting New York but it goes much further than that, showing the effect on a larger circle of people, who include a boy having a Bar Mitzels and his parents all three vah and his parants, all three of them (924 8782). Grand Hotel (Martin Beck). Tommy Tune, Broadway's pres ent musical doctor, directs this

setting (246 0102). Cats (Winter Garden), Still a sellset to music is visually startling and choreographically feline (239

(239 6300).

Phantom of the Opera (Majestic).

Stuffed with Maria Bjornson's gilded sets, Phantom rocks with from London (239 6200).
Gypsy (St. James). This 30th anniversary production is a reminder of the heyday of the American musical with memorable tune

tious stage mother who encourages her daughter even into burlesque (246 0102).

October 5-11 firm of the view of the Irish as unscrupulous charmers, Ends Oct 21.

The Iceman Cometh (Goodman). The Goodman opens its new sea-son with a revival of vintage O'Neill starring film actor Brian Dennehy. Ends Nov 4 (443 3800).

Kabuki, Performances at Kabu-ki-za (541 3131) feature two actors who have attracted new audi-ences to kabuki. The star of the 11am show, Ennosuke, speci-alises in quick-change routin and spectacular stage effects. At 4.30pm the gifted omagata (specialist in female roles), Tamasaburo, stars in a love story about a priest and a geisha. Meanwhile, at the National Trestre (285 7411), the rarely-per-formed Kagamiyama Sai kaafuji is being given (periormance times vary). Both theatres have excellent earphone guide in English and English-language

programme.

Phantom of the Opera (in Japanese). This highly successful production is a carbon copy of production is a carbon copy of the London original, with the , added advantage that one can ignore the banal lyrics, since they are in Japanesel Shimbashi Ebujoh Theatre (797 9601). Fiddler on the Roof (in English). Topol once again takes the lead role in the musical that made him famous 20 years ago. Kan'i Hoken Hall, Gotanda (477 7825). Check by Jowl in Hamlet. Lively British fringe company making their Tokyo debut as part of the UK 90 Festival. Tokyo Globe Theatre (260 1151).

of Islamic art brought in 21,060,939, with almost 22 per cent unsold. Two folios from early Qur'ans made the top prices - eight leaves written on veltum in golf kuffe in the 9th century sold for £110,000

An Iznik pottery dish of around 1560, in blue and white

target at £71,500.
Sotheby's has traditionally dominated the sale of expensive musical instruments, but it is Christie's which hopes for a record in this field on November 21, when it offers a violin by

£1m banknote devalued Stradivari which should make over £600,000. The current auction record for a violin is

auction which totalled £397,100

A £1m banknote sold for £23,100 at Christie's yesterday to the dealer Brian Dawson. The note is one of only two £1m notes surviving from a short period of six weeks in 1948 when the Treasury issued notes to record the movement. £572,000. This example is "The Mendelssohn" named after its late 19th century owners, the Mendelssohn banking family, notes to record the movement of money under the Marshall Aid Fund. There was a £10m who were related to the composer. The violin is being sold for the benefit of the note issued at the same time United Jewish
Appeal-Federation of Jewish
Philanthropies of New York.
Phillips held a solid furniture United

but that, along with all but two of the film, notes was destroyed. The price was near the bottom end of the Also at Christie's an auction with 18 per cent unsold. Italian dealers were busy buying up Italian furniture. One paid £24,200, three times estimate, for an 18th century walnut bureau and £20,350 for an 18th century Lombardy walnut and ebony moulded bureau. Top price among the English (such Qur'ans of this date are very rare) while thirteen similar leaves from a 10th furniture was the £11,000 paid for a set of 29 Regency century Qur'an fetched £99,000, mahogany and ebony strung slightly below forecast. dining chairs.

with a Chinese grape design, did well at £93,500 while a miniature Qur'an, produced around 1140 in either Spain or North Africa, also beat its

The National Gallery's appeal for £2m. to transform the adjacent Royal Dental School into a new home for its archive and library has come to a swift and successful conclusion. The Henry J and Drue Heinz Foudnation is providing all the money needed and the Heinz Archive and Library should be open by the spring of 1993.

Antony Thorncroft

MEDWAY KENT A beautiful move for high tech

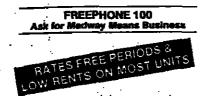


companies Attractive quality riverside

offices and high technology units in a thriving community only 45 minutes from Central London and the European ports.

Enterprise Zone benefits available For further information contact: Sue Turner The Medway & North

Kent Enterprise Office Civic Centre, Strood, Rochester. Kent ME2 4AW. Tel: Medway (0634) 732716



ARTS GUIDE

THEATRE

London

Jeffrey Bernard is Unwell (Apollo). James Bolam is the alcoholic journalist who embodies a Falstaffan, nay-say-ing life force while committing public snicide by vodka in Keith Waterhouse's fine play. (437

crusty Oxford writer C.S. Lewis and the cancer-riddled American post Joy Davidman with Nigel Hawthorne and Jane Alexander. William Micholson's play is irre-sistilly emotional. Elijah Mosh-insky's direction is superb. (734

1166/439 3849). Absurd Person Singular (White-hall). Revival of early Ayckbourn comedy, directed by the master himself, about three couples at Christmas in three kitchens over three years in a production which confirms Ayckbourn's early bleakness (071 867 1119). Evanded until Language Planer and Gareth Hunt in another Alan Ayckbourn play, this time about media manipul

emake of the Garbo film in an legant, but somewhat random out, Trevor Nunn's production of T.S. Eliot's children's poetry

Les Misérables (Broadway). The magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageautry and drama

Andrew Lloyd Webber's haunt-ing melodies in this transfer after memorable tune, as well as a forceful plot about the ambi-

Washington

Playboy of the Western World (Elsenhower). Abbey Theatre company brings what the ericans want to see to con-

FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, LONDON SET 9HL Telephone: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Wednesday October 10 1990

Time to end sanctions

THERE ARE now compelling reasons to lift sanctions against South Africa.

The dismantling of apartheid has become irreversible, carried forward by the impetus of what President F.W. de Klerk has already done, and sustained by internal pressures. There is an urgent need to repair the damage done by apartheid. The process currently under way will be harmed, not helped, by an economy that remains in recession. And the economies of neighbouring black states are more closely linked with South Africa than ever.

Africa than ever.

The European Community and the United States cannot act overnight, and Britain should not act unilaterally. But it is nevertheless time to recognise that — with the exception of the ban on arms — trade, economic, cultural and sporting sanctions have outlived their use: the South African government is at the negotiating table. The sooner black political parties resolve their differences and join it, the better. But their bloody rivairy has nothing to do with trade embargoes or sports boycotts.

Since coming to office Mr de Klerk has crossed the Rubicon, and burnt his boats for good measure. The release of Nelson Mandela and other political prisoners, the unbanning of the African National Congress (ANC), the Communist Party, and other proscribed organisations, the abolition of the Separate Amenities Act, the ending of discrimination in hospitals, are all part of an unstoppable transformation of South Africa.

More pledges

There is no reason to believe that the National Party will not start to fulfil its pledge to repeal the Group Areas Act and the Land Acts next year. It has nothing to lose. The rightwing Conservative party would almost certainly win if an election were held now. The National Party has gambled its survival on a belief that it will recover enough lost support—and win over voters from the moderate Democratic Party—by a settlement with black South Africa which would be endorsed in a referendum.

Continued recession makes

Continued recession makes this gamble more risky, for Conservative support stems in

Europe's test

part from white fears of declining living standards as well as from general political uncertainties.

Certainly sanctions have played an important part in the sweeping change in South African politics. The most effective move was the 1985 freeze on loans imposed by international banks, forcing Pretoria to run a surplus on the current account of the belance of payments.

At the same time, however, there were – and are – forces at work within the country which pushed Pretoria towards the negotiating table, and which will keep it there after sanctions have been lifted.

Labour shortage

A shortage of white skilled labour, the growth of black trade unions; the steadily widening gap between the size of the black and white populations; the upsurge in township violence; the divisions with the Afrikaner community as the impracticality, as well as the immorality, of apartheid became apparent; all these contributed to a political and economic environment in which apartheid could not survive.

Pressure of a different sort was being brought to bear on the ANC. Its guerrilla campaign, never very successful, received two powerful blows. Pretoria's combination of economic and military strength persuaded or coerced black governed neighbours to deny facilities to ANC fighters. Meanwhile, it was losing the unquestioning support of the Soviet Union, and watching its backers in eastern Europe succumb to the revolution. Like the government, the ANC has little alternative but to negoti-

Complex constitutional talks lie ahead. That is no reason why South Africans should not start to tackle the legacy of apartheid, including wide racially-based disparities in health, housing, and education. South Africa will not even be able to keep pace with current demands in its present economic plight. The sooner sanctions are lifted, the sooner this task can begin, enhancing the prospects for negotiating a new South Africa in an atmosphere of peace.

IF European car makers' campaign for trade protection against Japan has any redeeming virtue, it is that their lobbying has compelled them to acknowledge openly the extent of their own competitive shortcomings. Some producers in Europe now seem to be taking rather than machines, work.

Europe now seem to be taking more seriously the need to tackle these weaknesses. The question is whether they can act quickly enough.

Mr Robert Eaton, president of General Motors Europe, emphasised last week that the only way to resist Japanese competition in the longer term was by improving efficiency. The same day, Flat announced an exchange of assets with

only way to reast Japanese competition in the longer term was by improving efficiency. The same day, Flat announced an exchange of assets with CGE of France which should focus the Italian group's resources more firmly on its vehicle activities.

Re-structuring around core businesses is sensible, but is only a first step in what Flat and other European car makers must do to ensure their survival as independent world.

businesses is sensible, but is only a first step in what Flat and other European car makers must do to ensure their survival as independent world-class producers. They need simultaneously to address three challenges. The first is further to improve manufacturing productivity and quality. Though they made considerable progress in the 1960s, the Japanese moved even further ahead. They take half as long to assemble a car, and their production quality exceeds Europe's highest standards.

Development times

The second challenge is to shorten product development times. While European volume car makers need six years to develop a new model, most Japanese companies take four years or less. Because Japanese development costs are lower, they can be amortised over a shorter product life-cycle. These advantages not only produce savings and flexibility but enable Japanese companies to create new market segments, as Toyota has done with its Lexus luxury saloon. A recent study by the Massachu-setts of Institute of Technology argues persuasively that Japanese "lean" production tech-niques have displaced mass-production, enabling cars to be made profitably in low vol-

umes.
How should European car makers respond? Horizontal own, offer an effective solution when manufacturing scale economies are rapidly growing less important. Nor is the answer simply further automation. The Japanese have shown that the key to improved efficiency lies in the way people, rather than machines, work. To draw equal, European producers will need to look well beyond the factory floor and integrate more closely their entire operations, from design studio to car showroom. That will require radical reorganisation, particularly of middle management functions.

Expansion abroad However, the Europeans

need to do more than master "lean" production if they are to avoid becoming mere regional niche players. Their third—and toughest—challenge is to expand internationally. All make and sell most of their output in Europe, and Fiat sells two thirds of its cars in Italy. The European industry's narrow geographic base leaves it wide open to attack by its leading Japanese competitors, which sell—and will soon be producing—in volume in the world's three largest car markets. Japanese producers' international diversification, as well as insulating against fluctuating labour costs and exchange rates, permits reduced unit costs and a more varied worldwide model range.

varied worldwide model range.
European producers have won only a small fraction of the North American market. That record scarcely bears out claims that their modest sales in Japan are due largely to unfair trade barriers. It also contrasts starkly with Japanese companies success in in capturing 30 per cent of the US car market in barely a decade, and in producing two thirds of

their sales locally.

Europe's car makers should view that achievement as a reason to redouble their own efforts, not for dismay. They still possess the capacity to regain world competitiveness. However, they need to recognise that they also have much to learn from the Japanese, and not much time left to so. Humbling as that realisation may be, it is far better than baying for protection in the vain hope that the Japanese challenge will go away.

t is, quite simply, the most potently symbolic place for Palestinians seeking to remind Israel – and, for that matter, the world – of their anger and frustra-

Wrested by Israel from Arab hands in the 1967 Six Day War, the spiritual heart of Jerusalem's Old City offers an extraordinary physical compression of competing faiths. Directly below the hallowed spaces surrounding the Dome of the Rock and Al Aqsa Mosque, the third most holy place in the world to Moslems, stands the huge-stoned Western, or Wailing, Wall, the most secred Jewish site.

On a quiet day, it is possible to hear the prayers of Moslem and Jew mingle, punctuated at times by the peal of church hells from Christian shrines in

the prayers of Moslem and Jew mingle, punctuated at times by the peal of church bells from Christian shrines in the Old City. But on hitter days like Monday, when Palestinians rained down stones on Jewish worshippers at the Wall and Israeli policemen replied with bullets which killed more than 20 and wounded 150, the atmosphere is anything but spiritual.

at the Wall and Israeli policemen replied with bullets which killed more than 20 and wounded 150, the atmosphere is anything but spiritual.

The violence served as a traumatic reminder that Palestinian resistance to Israel's 23-year occupation of Arab east Jerusalem, the West Bank and the Gaza Strip, and Israel's bloody response, has not gone away. It also underlined in dramatic fashion the extent of the political and economic difficulties now confronting Israel.

For the past two months, Israelis' attention has been focused on two issues which together comprise an external and internal challenge the like of which the country has rarely faced in its 42 years of existence:

The Gulf crists, which apart from threatening to embroil Israel in a regional war, has serious implications for Israel's lynchpin relationship with the US and for its position in the Middle East.

A flood of immigration by Jews

● A flood of immigration by Jews escaping from the uncertainties of life in the Soviet Union. Aliyah — literally ascension — is an overriding issue, as Mr Yitzhak Shamir, the terrier-like prime minister, keeps reminding his people between warning growls at President Saddam Hussein of Iraq. More than Im Soviet Jews are now expected to swell Israel's existing population of 4.7m within as little as three years.

three years.

Until Monday, these twin preoccupations had tended to eclipse the rather older question of the occupied territories. The intifada, or Palestinan uprising, had faded in intensity as it progressed through its third year. But as the unprecedented bloodshed in the Old City showed, it remains as central a concern for Israel as the Gulf crisis and immigration.

The three are intertwined in a way

the three are intertwined in a way that presents great complexities for Israeli policymakers. Immigration by Soviet Jews has fuelled the *intifuda* because Palestinians — who hitherto have easily outbred Israel's Jewish population — fear the demographic tilt in favour of Israel will finally shut the door on any prospect of a Palestinian state. But the enormous financial cost of immigration threatens to weaken the Israeli economy and its ability to bear the hig defence burden caused by the occupation.

Israel's appeal for more aid from the US, to help it cope with immigration, has been undercut by Washington's immediate need to bolster allies affected by the blockade of Iraq. Meanwhile, Mr Saddam's insistence on linking Iraq's claim on Kuwait to Israel's occupation of Arab lands has turned him into a hero of the intifada. The Israeli government — a coalition composed of extreme right-wing factions and religious parties and led by Mr Shamir's Likud Party — has shown little imagination in response to these challenges. Its handling of the tide of immigration has been muddled. Its reaction to the intifada remains a stubborn refusal to yield territory, coupled with an offer of limited autonomy few Palestinians show

Hugh Carnegy says the killings in Jerusalem have further unsettled a country already preoccupied by the Gulf and immigration

Israel's rising tide of troubles



But Mr Shamir and his ministers sense that trouble is brewing for Israel as a result of the Gulf crisis.

There is anxiety that the US might settle for an outcome short of Israel's desire to see the Iraqi regime and its panoply of nuclear, chemical and missile sites destroyed. "If Saddam Hussein remins in his chair, Iraq will continue to be a menace to Israel," says Mr Yossi Achimeir, a close aide to Mr Shamir. "We would like to see his reign come to an end very soon."

If this is not the outcome, Israel will clearly retain the option of one

'We would like to see Mr Saddam's reign come to an end very soon,' says a close aide to Prime Minister Yitzhak Shamir

day attempting the job itself, although for now it remains, as one writer put it, hunkered down on the western horizon, hand on gun.

So far the most disconcerting development for Israel has been the way events in the Gulf have raised questions about the country's relationship with the US — America's most dependable, stable ally in the region, as Israeli ministers like to say.

The deepening relationship between

as Israeli ministers like to say.

The deepening relationship between the US and Saudi Arabia (a state still technically at war with Israel), the warming of US ties with Syria, and the consolidation of the US-Egyptian link have raised fears of a tilt in the

US Middle East posture. Talk by Mr James Baker, the US secretary of state, and others about a new security structure in the Middle East merely adds to the concern at a time when the old certainties of east-west confrontation, in which Israel could cast itself as a "strategic asset" to the US, have melted away.

In a recent article, Mr Ya'acov Goldberg of Tel Aviv university's Dayan Centre, suggested that the US might come to perceive its ties with Saudi Arabia as the central strategic pillar in the region. This, he warned, would be "liable to have an adverse effect on Israel's position as a strategic US asset, co-operation between Jerusalem and Washington and the American position on the Israeli-Palestinian peace process."

Israeli ministers do not like to hear it said, but the intimate connection between Washington and Israel has been a complicating factor for the US in confronting Iraq, offering as it does the opportunity for Baghdad to try to divide the US-Arab alliance.

Israel has been of undoubted assistance to Washington since the beginning of the crisis. It supplied the US with "highly-accurate missiles" and intelligence on the nature of Mr Saddand and intelligence on the nature of Mr Saddand intelligence on the saddand intelligence on the

with "highly-accurate missiles" and intelligence on the nature of Mr Saddam's leadership, according to General Michael Dugan, the former US air force chief who was sacked last month for saying so to US journalists. Yet at American insistence, Israel has maintained a low profile, and Washington has kept a discreet distance from its ally. As senior US officials have criss-crossed the region during the crisis, not one has dared to

stop off in Israel.

The most worrying manifestation of the shift is in arms sales. Washington is making huge weapons pledges to Arab allies, chiefly Saudi Arabia, while responding with noticeable coolness to Israeli pleas for balancing aid to retain its military "qualitative edge". "The American policy [of assuring Israel's] qualitative edge is not being implemented any more," Mr Moshe Arens, the Defence Minister, complained this month. "We don't have a situation in which the US is selling Israel equipment of higher

The Israeli government says the PLO's support for Iraq makes it even less worthy of becoming a negotiating partner

quality than it is salling the Arab armed forces."

US officials insist that the close relationship with Israel is not about to change. The commitment to the qualitative military edge is still there, they say, as is a whole range of military and research projects. "All the cultural and democratic values that inform the relationship remain," said one western diplomat. "There are so many elements of the strategic relationship which are still advantageous. The focus may be under review, but I don't think the concept is."

Whatever the outcome of the Gulf crisis, there is little question that the

spotlight will thereafter once again be on efforts to resolve the Israeli-Arab conflict. Mr Shamir's government is at once encouraged by the shift in Soviet policy away from such Israeli foes as Iraq and Syria and wary that as a result, the US might edge towards the continuing Soviet preference for some kind of international conference to solve Middle East problems, including the Palestinian issue.

lems, including the ransathian issue.

Israel remains adamantly opposed to this comprehensive approach, recknoning that such a conference would be hopelessly biased against if. But it is also aware of US frustrations at the lack of progress — chiefly due to Likud intransigence — on Israel's own plans for an accommodation in the occupied territories. There is growing unease in Israel that for all the West's refusal to countenance any linkage between the Iraqi occupation of Kuwait and other Middle East issues there is an increasing tendency samong western leaders to renew pressure on Israel to settle the Palestinian issue.

presidents George Bush and Francois Mitterrand have both suggested that fresh efforts might be made to resolve other Middle Eastean conflicts after Iraq gets out of Kuwait; Mr Douglas Hurd, the British foreign secretary, last week made a toughlyworded speech in which he called for "new thinking" from Israel on the Palestinian issue.

Palestinian issue.

Not, of course, that Mr Shamir's government has shown any sign of shifting its ground, least of all in its adamant refusal to countenance a Palestinian state. It says that Palestine Liberation Organisation support for Mr. Saddam makes the organisation even less worthy of becoming a negotiating partner than before, it continues to object to US proposals for starting talks with the Palestinians on its own plan for the West Bank and Gaza offering limited automomy.

Government officials do lay greater

Government officials do lay greater stress on wanting to normalise relations with Arab neighbours if not before, then at least in parallel with, progress on the occupied territories. They want the US to put pressure on Saudi Arabia, for example, to this end. Mr Shamir has also fiirted with the idea of negotiations with Syria. But Israeli policymakers, pointing to Mr Saddam, remain deeply distrustini not just of Arab leaders, but also of Arab society which they still regard as inherently undemocratic, unstable and hostile.

While these issues will not crystallise until the Gulf crisis is resolved, the government must get on with the job of absorbing the Soviet immigrants. If it can be achieved successfully, the prize for Israel is much greater demographic security — one senior figure spoke of "critical mass" — greater economic vitality and, as a consequence, a stronger position from which to deal with the Arabs.

But such a goal will not be easily

But such a goal will not be easily attained. Already the country is close to exhausting its housing stock, raising the prospect of many immigrants having to live in tents. The costs associated with such an influx are huge. The trade gap alone over the next five years is expected to be \$30bn, about three quarters of annual gross domestic product. In the same period, \$40,000 new jobs will be needed just to keep unemployment steady at its present level of 10 per cent. The inflation risks associated with such figures are great.

The methymene that huke belind

The nightmare that lurks behind aligah is of thousands of disgruntled immigrants without jobs and proper housing trying to leave the country, perhaps clashing with established communities blaming them for their economic woes. Mr Shamir and his colleagues know that such an outcome carries scarcely less of a threat to the fabric and wellbeing of Israeli society than the shadow of Mr Saddan looming in the east or the scenes of violence in Israel's holy places.

Caring owner needed

much inclination to accept.

Some think it is the most elegant building on the Thames. Others think it it is a French-Canadian chateau

Discreetly floodlit, London's County Hall is looking at its best on these autumnal evenings as one crosses Westminster Bridge. Up-river over Chelsea Reach there is an afterglow in the sky which Turner would have appreciated. The hall seems just right for its central position.

Whatever your view, the hall rarely falls to arouse strong passions. And after more than four years without a proper function it again faces an uncertain future now that its projected sale to an Anglo-Japanese consortium for £185m has collapsed.

It saw high jinks on March

31 1986 when the left-wing Greater London Council was abolished. There was dancing through the night. Meanwhile, typewriters and other moveable goodies were being passed out through the back windows. Cleaning-up took rather a long time after that. But the London Residuary Body (LRD) assures me that everything

assures me that everything is shipshape inside now.

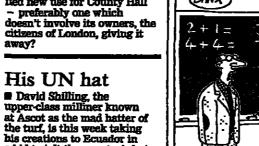
LRD itself moved its 1,500 staff out this mouth to a leased building on the other side of river so that the planned sale could be completed. While the hall remains empty it will have to pay for an army of several hundred security guards.

If the hall is not to become

a conference centre, hotel, offices, and flats, as the consortium had intended, what is its future to be? Ideas have included a London amusement centre, a night shelter for the homeless, and a gigantic supermarket.

Only the length of Westminster Bridge from the Houses of Parliament, it once could have provided a solution to the lack of offices for MPs. But now offics conversions are alleviating their problems.





the turf, is this week taking his creations to Ecuador in a bid to joit the country's hat industry out of recession.

The United Nations has asked the flamboyant British designer to lead a mission to the country which gave hirth to the Panama hat. His brief is to promote international

trade with artisans.
Shilling, whose work has graced catwalks from New York to Moscow, yesterday sported a jaunty felt creation and predicted his trip would, "be like rediscovering America."

He hopes his advice will help reverse the plight of the straw industry in Ecuador, which relies on hat sales.

The UN is serious about the importance of the trip. "His major objective will be to sensitise artisan producers to the fashion and quality requirements for positioning their products in western consumer markets", says a spokesman.

Ecuadorean styles may soon be gracing the heads of the European rich and famous.

New justice

There is intense US media and public interest, and high passions have been aroused, over the matter of whether Micheal Milken, the former "junk bond" king at the falled investment bank Drexel Burnham Lambert should go to prison.

He could get up to 28 years, or receive no more than a com



"Can anyone tell me how many months to a June election?"

munity service sentence.
It would be a tricky assignment for any judge. And for Judge Kimba Wood, who was appointed to the bench only two years ago, and who has so far only presided over more routine cases, it will her baptism of fire when the hearing starts tomorrow.

Yet the newest federal judge

in New York shows every sign of keeping a firm grip on her courtroom. Last week, for example, she sweetly punctured a long and increasingly impassioned speech from Arthur Liman, Milken's sleek and experienced lawyer, by telling him that he was "preaching to the converted" on his final, relatively technical point.

And, when an attorney for certain state pension funds asked to intervene in this week's hearing of Milken's "unadmitted crimes", she neatly suggested that written questions could be submitted to her clerk. The lawyer was left offering effusive thanks. Softly-spoken, and in her mid 40s, Wood comes from an

army family. She passed through the London School of Economics and Harvard Law School on her way to the New York law firm of LeBoeuf, Lamb, Leiby & MacRae. There, she became a partner in the late 1970s, a notable achievement for a woman in those days.

She is also reportedly fund

She is also reportedly fund of growing roses and vegetables — a suitably patient pursuit which she might recommend to Milken now that he has time on his hands.

Mornin' Guv!

Early-morning strategy
meetings at London banks
were sombre affairs yesterday
after the rapid dissipation of

ERM emphoria. But they were tinged with puzzlement.
According to Reuters screens, the Bank of England's governor, Robin Leigh-Pemberton said in Tokyo that Britain's economy was sound and that interest rates were due to fall because of economic trends.
Strategists were not quite sure why the Bank was predicting future interest rate cuts to the Tokyo bureaus of news agencies.

By the time meetings finished, however, the predictable truth had emerged. Of course Leigh-Pemherton had not said interest rates were due to fall. He had said inflation was due to fall.

What Chase? My joke on October 1 about Chase Manhattan merging

Chase Manhattan merging with the National Bank of Poland (Is that good news or bad news?), was no more than a joke.

But real life can always beat fiction. Solidarity has now signed an agreement with Chase International Corporation of the US to set up a Polish bank.

Chase Manhatian, however, denies all knowledge of the deal, and is even now trying to discover the identity of its namesake.

and the state of the second control of the first of the state of the s

Your money can now earn up to with Lombard If you have £1,000 or more to invest your money could by software 2 noted of those to stress your money could be earning a handsome 14.00 % pa in a Lomberd One Year Fixed Account. The rate is fixed and guaranteed not to change during the period of the deposit, interest is paid as a lump sum at the end of the period. Or perhaps you would prefer to have your savings more reactly available. Our 14 days notice account, minimum 15,000, pays an attractive variable rate, currently 14,25% pa, credited quarterly, equivalent to a compound annual rate of 15,03%. account from our comprehensive range of sterling savings and deposit accounts to meet your Don't miss this opportunity to put your money to work—write now for a copy of the Lombard Savers & Investors brochure No. 1297 or simply complete and post the As an additional benefit for overseas residents all interest is paid without deduction of tax. Rates are correct at time of going to press. ---- {Lombard The Complete Finance Service Deposit Accounts To: Stephen Carter, Lombard North Central PLC. Banking Services Department 1297, 38a Curzon St. London WIA 1EU England. Tel: 0737 778861 Please send me without any obligation a copy of your Savers and Inwest current rates, (PLEASE WRITE IN CAPITAL LETTERS) Registered in England No. 337004. Registered Office: Londward Hot 3 Princess Way, Rechill, Surrey RH1 1NP, England.

President François Mit-terrand could not have chosen a more difficult and uncertain moment in the fortunes of the world civil aircraft industry to open in Toulouse today one of the world's largest aeronautical complemes. Squeezed by soaring mel prices and the fluest of recession, air-line balance sheets are coming under mounting pressure, threatening to bring to a pre-mature end the surge in new aircraft orders of the past few

The new Toulouse facility was conceived three years ago by Aerospatiale, the French state owned serospace group, at the start of an unprece-dented commercial sircraftbuying cycle. Involving industrial investments totalling about FFr/hm (£690m) on a 130about FFT/on (cosum) on a 130-acre site and at other Aerospat-iale plants, it was designed to prepare for production of the latest members of the Airbus pessenger aircraft family: the A340 four-engine, long-range jet and the A330 twin-engine, medium-range airling. medium range airliner

The investments include Europe's biggest industrial building a giant FFribn hightechnology, partly-robotised arcraft assembly hall to rival Bosing's huge Everett facility built 20 years ago outside the 747 jumbo jet.

Fronkally, the most pressing question today is not so much how efficiently Airbus can manufacture aircraft to com-pete against its US rivals, but whether the market will ultimately provide the necessary valume of orders to ensure profitable production. The suphoria that swept the airline and aircraft manufacturing industries in 1987 when Aero-spatiale launched its Toulouse

The state of the s

1.00 E 1545 6 14

to the same of State of home for lands

The Call Case and

10 to 12 205 11 CO.

in Amplic State.

: boke of ones:

CANADA MARIE

The state of Spinster, or other state of

10.00 mi 如 **21**

in the second second

THE RESERVE

The second series from

- 1 7 11/20 Gerte * :S (2422 (8)

マンスト 日間 原面機

Transport (c) to the contract of

ाः ः इत्यक्ते व के

្រ (ាក់ការសាក់

. . . . s transp that Total Mr. State ! processing that makes

ال**اعتدار العداد المناسب المناسب**

فأه الفلايل بين النبيات

% PA

mbard

A CONTROL OF THE STATE OF THE S

Commence of the second second

いかる 中山田 は

or it was the court.

spatiale launched its Toulouse investment: programme and was still prevailing barely 12 months ago, has now been replaced by deep furshoding.

With the US economy moving into recession, the world's largest civil aircraft market is entering a period of heavy turbulence. Growth in Europe is slowing down. High interest slowing down. High interest rates and soaring jet fuel prices are hurting airline hal-ance sheets. Banks, the princi-pal source of financing for new aircraft purchases, are coming under pressure. The continued uncertainty over the Gulf and fuel prices are making the future look even bleaker.

Aircraft makers have tried to put on a brave face recently. On both sides of the Atlantic they have argued that aircraft buying was bound to peak at some stage and that although the market was showing signs of softening, multi-million-dol-lar orders have continued to flow in "We expect the situaAs the new Airbus plant opens, Paul Betts asks whether the volume of orders will ensure profit

Aircraft industry faces hard landing

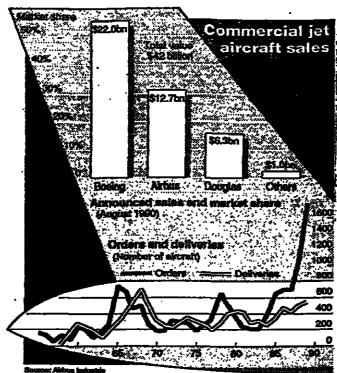
we are still winning big orders," said an Airbus official after the European group announced two large orders for iis A320 narrow-body airliner last week a \$50n deal from America West and a \$1.5bn order from Swisseir.
Airbus, Boeing and McDonnell Douglas are still forecast-

ing a \$700bn-\$800bn potential market for new jet airliners during the next 20 years.
Long-term air travel demand
will grow, they claim. Atrlines
will also be forced to retire old aircraft and replace them with more fuel-efficient and environ-

more fuel-efficient and environ-mentally-friendly sircraft.
But privately they are acknowledging that some of fine "firm" orders on their bulg-ing civil sircraft order books are beginning to look less firm. Indeed, some airlines have already started to defer deliv-eries of new sircraft on order. eries of new aircraft on order.
US Air recently amounced it
was postporing delivery of 16
new Boeing 737 twin engine iets for several years to get its balance sheet in order.

Aircraft manufacturers con-cede that an extended period of high oil prices could have a nigh on prices could have a severe impact on the industry. Mr Lou Harrington, head of McDonnell Douglas's MD11 tri-jet programme which competes directly against the new Air-bus A340/A330 programme, suggested at the Famborough Air Show last month that such an eventuality could have dev-astating repercussions, reduc-ing commercial jet aircraft demand by more than 45 per cent with the potential loss of about \$380bn-worth of business over the next 20 years. If oil prices remain high for only a relatively short period, new aircraft demand was still likely to be cut, but by a less dra-matic 10-15 per cent. For Airbus, the threatened

downturn in the civil aircraft cycle comes at a delicate time. when the European consortium is entering an important chapter in its tumultuous 20year history. The four Airbus industrial partners and their respective governments are now trying to transform the consortium into a more com-mercially-oriented enterprise. The ultimate plan is to turn



Airbus into an ordinary public limited company run on entre-preneurial private sector lines. Although the four partners say this change will still take two to three years, they claim the Airbus system has already made enormous strides to improve its overall productive and management efficiency. The latest FFr7bn French investments form part of this attempt by the partners (Aerospatiale, Deutsche Aerospace, British Aerospace and Casa of Spain) to make Airbus more

The Toulouse facility breaks new ground in commercial sir-craft manufacturing by using a modular concept instead of the traditional assembly-line sys-tem to achieve maximum flexition cycle. After the initial assembly of the wings on the assembly of the wings on the fuselage, each aircraft is placed in its individual dock where it remains for the rest of the entire final assembly process instead of continuing to move down the assembly line. Aerospatiale says its assembly oper-

ation will make it possible to produce A340 and A330 aircraft at a rate of seven a month. Mr Jean Pierson, the ebul-lient Airbus chairman, announced with theatrical éclat at Farnborough that Airbus would make a profit this year for the first time. Orders have already topped 1,500 aircraft, and more than 600 have been delivered to customers. Airbus production will amount to about 100 aircraft this year and would have totalled 130

had it not been for the long and costly BAe engineering

strike which caused consider-

able friction between the part-ners. By 1995, annual produc-

tion is expected to rise to about 230 aircraft. The A320 computer controlled "fly-by-wire" narrow-body aircraft has become the fastest-selling new airliner in son claims Airbus has now gained a big advantage over Boeing in the market for new twin-engine wide-body aircraft by developing its A330 well before the rival US group's

767X wide-body twin which has yet to be officially launched.
But although Airbus expects to report a paper profit for the first time, it does not follow that its four industrial share-holders will start reaping any significant return for the capital which they have ploughed into the consortium. into the consortium.

Under the contorted Airbus system, the four industrial partners are both shareholders partners are both shareholders and subcontractors of the Toulouse-based Airbus Industric (AI) consortium. They supply and are paid by AI for their share of work in the programme. But at the end of each year, they have had up to now to cover AI's losses in proportion to their respective stakes. tion to their respective stakes. A report by Gellman Research Associates of the US estimates that Airbus partners have so far had to cover losses of more than \$20bn on Airbus production by subsidies. But with Airbus programmes maturing, the consortium's cash flows are expected to turn positive. This has in turn added ammunition to the US government's case that there was no longer any reason for European governments to con-tinue subsidising Airbus pro-duction. The US threatened to take the issue to the General Agreement on Tariffs and Trade (Gatt) last month. However, Washington subsequently withdrew the threat after prog-ress had been made between the two parties in the negotia-tions to resolve the dispute. If Airbus Industrie, as Mr Pierson predicts, makes a profit this year, the partners will receive a dividend. For Professor Roland Smith, BAe's chairman, this would be a "major step forward" but he also recognises that the consortium still has a long way to go before producing a real return.

Moreover, AI conducts all its business in US dollars and its accounts are thus not subject to swings in the dollar exchange rate. This is not the case for the individual partners which have had to absorb the full impact of the lower dollar. Airbus and its partners believe the consortium will become one of Europe's biggest industrial groups by the mid-1990s with an annual turnover of about \$15bn. With its broad family of airliners, Airbus expects to command at least 30 per cent of the commercial air-craft market during the next few years, and for certain cate-

gories like the A330 wide-body twins as much as 48 per cent. But if Airbus is to convert its impressive marketing success story into financial success, much will depend on whether the market for new commercial aircraft will continue defying the laws of gravity.

Britain's entry into the ERM

Fixed exchange rates and the lessons of history

By Douglas Jay joining the ERM were used

from 1920 to 1925 for fixing the dollar-sterling rate of exchange

at the historic \$4.86. This

would, we were assured, achieve "stability", and a "strong currency". For a few months in 1925 the fixed rate

was greeted with suphoria. But by the end of that year the economics of the coal industry

collapsed, and 1926 brought not stability, but a six-month coal strike, the General Strike.

long-drawn-out unemployment

and an irresistible run on ster-ling in 1931. Keynes had esti-

mated the over-valuation in 1925 as 10 per cent, much less

interest rates to be reduced.

The Bank rate dropped to 2 per

cent at the time of the June 1932 War Loan conversion and

stayed there for 20 years. UK

unemployment steadily fell.

Manufacturing output rose 58

per cent (in real terms) between 1932 and 1937. Yet in

these same years after 1931, France, Belgium, Holland,

Switzerland and Poland formed

the "Gold Bloc", an almost exact prototype of the ERM.

Gold parities, and therefore mutual exchange rates, were fixed, and central banks

worked together. From 1931 to 1935-36 all these countries suf-

fered deepening depression and unemployment until Belgium

broke ranks and devalued in

1935, followed by France in 1936, when recovery began. After the 1939-45 war the UK devaluation of 1949 was an

adjustment to the economic

facts of the postwar world; and was followed by a UK balance

of payments surplus in 1950

and throughout most of the 1950s. In the view of Sir Alec

Cairneross ("Sterling in Decline") that devaluation restored balance between the

whole sterling and dollar worlds. The 1967 depreciation

gave us nearly £1bn in payments surpluses in 1970 and 1971, with low unemployment

and without oil. Similarly, the

German economic miracle of

the 1950s was very greatly

helped by a much undervalued DM, which was shrewdly devalued with sterling in 1949.

The right exchange rate for

ebate on the UK's adherence to the ERM has been conducted far too much in terms of economic and political doctrine. A hard look at the actual economic experience of recent years may therefore be useful. Such a look prompts the conclusion that if UK adherence means a that if UK adherence means a fixed sterling exchange rate with the D-Mark, the effect would be highly damaging to this country. And if it does not, nothing will have been gained by joining. In any case, fixity with the EC currencies will still mean floating with the still mean floating with the currencies of the rest of the than it is today.

In the UK after the 1931 depreciation, a remarkable recovery occurred. The freeing of the exchange rate enabled world, with whom we do half

The exchange rate is a price like any other, which brings different economies into some sort of balance. If you fix it, you will just as certainly gen-erate imbalance elsewhere as if you permanently fixed the price of all or rate of income of oil or rate of income tex. Unfortunately public opinion swings every 20 years or so between demanding floating rates when they are fixed, and fixed rates when they are float-

History shows, first, that exchange rate levels are more important than ever, and second that the UK is particularly sensitive to them. Between mid-1979 and November 1980 the sterling rate against the dollar rose from \$2 to \$2.45. There followed the sharpest fall in UK real output in a three-year period since 1850. Real manufacturing output fell 20 per cent in three years. Unemployment rose 60 per cent in the 18 months up to January 1981, and for the only time in UK history the rise continued

for seven years. Then, sterling fell 30 per cent against the D-mark between July 1985 and February 1987, with dramatic results. In 1986, unemployment started to drop for the first time for seven years. Nigel Lawson discovered that he had performed, though unintentionally, an economic miracle. Meanwhile in France and Italy, which had joined the ERM, unemployment was steadily rising and is today well above UK levels. France's total unemployed doubled in the years between entry to the ERM and 1989.

All the arguments used for

Your Trusted Banking

Link With Ihe UAL

any economy is that which will enable it to use its full capacity and achieve a sustainable belance of payments. Sterling is therefore demonstrably overvalued today, probably by 15-20 per cent in the view of Professor Wynne Godley and fellow authors ("Britain's Economic Problems and Policies In the 1990s" IPPR),

Those who now believe that the "discipline" of a high exchange rate would somehow restrain further rises in pay rates and prices are, I fear, misleading themselves. Pirst, because most pay negotiators are not themselves unem played, and second because exorbitant salaries earned in the City have made any patri-otic or moral appeal for moder-ation useless, in these circumstances, big and small companies, squeezed between weak demand and rising pay rates, would more often be disciplined into liquidation. But the greater error of believers in this discipline is to forget that any rise in prices due to a lower exchange rate, needed to correct overseas deficit, is simply the real premium which a nation charging too much for its goods has to pay for getting back into balance.

Britain has now deprived itself of import controls, exchange control, incomes poli-cies, low-cost food imports, and credit controls. The only instrument left for curing our huge balance of payments deficit is, therefore, the exchange rate. To give it away seems to me a strange decision. And the most probable outcome must be expected to be a few months, perhaps weeks, of euphoria, followed, as in for-mer years, by a worsening payments deficit, a weakening pound, higher interest rates, loss of reserves, and rising

unemployment.
Moreover, in the case of a persistently weak exporter like the UK the rate which is right one year will be wrong two or three years later. Until the fun-damental weaknesses and handicaps hampering our econ-omy are remedied, the need is for prudenteen and not gratuitous adventure.

The author is a former Labour MP, financial secretary to the Treasury and president of the Board of Trade.

LETTERS

Challenges tackled by the accountancy profession

From Mr Michael G. Lickiss. From Mr Michael G. Lackiss.

Sir, Your editorial comment and David Waller's article ("Accounting under scrutiny," and "Profession told it has failed to honour pledges," October 4) threw down some challenges to the profession. In all the most important respects those are challenges which the profession recognised for itself and has either tackled or is doing so.

doing so.

On accounting standards; the new system under the Financial Reporting Council (FRC) and the Accounting Standards Board (ASB) is a direct result of the review which the profession set up. The former Accounting Standards which the profession set up.
The former Accounting Standards Committee (ASC) did
excellent work over an
extended period, ASC's problems lay less in being hamstrung by the politics of the

From Mr D.M. de Yong. Sir, Your editorial comment Sir, Your editorial comment ("Accounting under scrutiny," October 4) was extremely apt. The investor, whom this gov-ernment wishes to encourage, has much to worry about valu-ations of "off balance sheet" debts and leasing contracts,

professional bodies than in the obstructionism of some large companies which did not like the impact of certain standards on their freedom to report exaggerated earnings per share. (The saga of inflation share. (The saga of inflation accounting is a good example). Now, as before, the first duty to comply with accounting standards rests on directors. But the Companies Act 1989 gives the ASB some teeth to ensure compliance. The profession welcomed this change for which it is paying \$1.2m a warr which it is paying £1.2m a year to the FRC (nearly three times the cost of ASC). On auditing practices and guidelines: the accountancy

profession has taken the mitia-tive in order to restructure the Andting Practices Committee (APC) which, like the former ASC, already has a strong reputation for international excel-

reporting to a "special" committee.
I have always thought that when the going gets tough, like now, the mistakes missed by suditors turn up. D.M. de Yong, 34 Addison Avenue W11

debts and leasing contracts, also the obtuse ruling of the Lords re auditors liability in the Caparo/Fidelity takeover.

Can an auditor stand up to a powerful chairman/chief executive, especially when the client represents a large part of his firm's revenue? Perhaps the parameters of qualification need strengthening, or maybe

lence. Later this autumn, the consultative committee of accountancy bodies will be looking at proposals to widen APC's representation, to streamline its decision-making and to increase its staff

The reformed APC will, we expect, play a key role in the development of future professional guidance and standards for auditors, compliance with which will be monitored through the audit regulatory regime being discussed with the Department of Trade and Industry. This regime will be the third area of change for the

profession.

Mr Waller tries to have it both ways by alleging that the profession was defeated by the government in trying to ensure a weak regime (which is untrue) and that the frequency

guage on your part rather than ignorance of the fundamental point that the presentation of accounts is the responsibility of the board of directors of a limited company rather than

But I am not sure which is the greater sin. If the editor of the leading financial newspa-per in Europe disregards this point, how can the business community as a whole be expected to appreciate it? C.C.H. Beresford, Dryden House, Burtons Way, Chalfont St Giles, Buckinghamshire

of monitoring will be inade-quate. The fact is that the pro-posed monitoring regime will be the first time that firms of auditors have been routinely inspected by outsiders, at a total extra cost of £4m a year. By any measure this is a radi-cal change for the auditing pro-fession. I suggest that Mr Wal-ler, and others, should give this fundamentally new system

a chance to work.
Finally, my institute has just undertaken a major review of its professional discipline arrangements to ensure that they are tough enough for the modern commercial world. The results of that review are now out for consultation. Michael G. Lickiss,

president, institute of Chartered Accountants, Moorgate Place, EC2

Too much joy

From Mr Sean Williams.
Sir, Your review of Britain's entry into the ERM on Saturday was excessively jubilant. In four pages you did not discuss any of the limitations.
In a system of fixed exchange rates, what mechanism is available for macroeconomic adjustment between nations? How is Britain or Spain to deal with gaping current account delicits in the face of Germany's greater productivity growth? ductivity growth? Sean Williams,

it is Abu Dhabi Commercial Bank (ADCB) you are seeking.

> services, a wide network and global links cannot fail you. Prominent UAE Bank Incorporated with the

Abu Dhabi

If you are looking for a

A bank with specialized

backing and high liquidity,

UAE bank with a solid

government of Abu Dhabi 64 % of equity held by the government Paid-up Capital

Dhs.1,250 million (U.S. \$ 340 million) Global connection

High liquidity Steady day-by-day growth under all conditions

Commercial Bank UNITED ARAB EMIRATES

Be it your private needs or your trade needs in the UAE, ADCB is your most trusted banking partner.

> For further information please contact: بنك أبوظــــبي التجـــاري Abu Dhabi Commercial Bank P.O.Box. 939 PABX 2-720000, Abn Dhabi, UNITED ARAB EMIRATES.

Corporate Banking Group Tel. No. 791368/721193/725334/722846 Correspondent Banking Tel. No. 785386 Telex 22244 ADCBCR EM, Telefax 2-776499. Reuter Code: ADCU Telerate Code 3358 Bombay branch: Rahmat Manzil, 75-B Veer Nariman Road P.O.Box. 11248 Bombay Tel. 22-2027254 Telex 11-85481 ADCB IN 11-82210 ADCB IN

The government could stop blaming the statisticians now

From Mr M.R. Weak.

Sir, The view is gaining ground ("Economists open inquest on Lawson era," October 4), helped partly by the recent issue of the Treasury Bulletin, that the economic mismanagement of 1987 and 1988 should be attributed to inaccuracy in the economic statistics, and is therefore not the government's fault. It is supely time in try to quantify the government's fault. It is surely time to try to quantify the basis of this claim.

The best measure of demand in the economy is the level of gross domestic product (GDP) at current prices. This identifies the money value of total spending and total output. There is, of course, the very important question of the extent to which this value mea-

appeared. They can then be compared with the current per-ception of the period.

It is apparent from the fig-

ures that growth in money
GDP was underestimated in
1987 and 1988. The error was
rarely less than 1 per cent per
annum and in the first quarter

the government line.

But a more critical look at the figures suggests that they should not be blamed for economic mismanagement. The rate of growth of money GDP in early 1987 was believed to be around 7 per cent per annum (but was in fact 8 per cent). A believer in the Thatcher economic miracle might think that productive potential was growing at 4 per cent per annum with the implication that this rate of growth of money GDP was consistent

with inflation of 3 per cent per annum. Not quite the zero inflation we were promised, but not too bad either. By the time of the 1988 Bud-get someone relying on the data as published would have concluded that the rate of University of Cambridge

under 10 per cent per annum. With a favourable supply side response delivering 4 per cent growth, this would imply underlying inflation of 6 per cent per annum. Those scepti-cal of the Thatcher miracle would have seen the situation as much more inflationary. In any case, many of us would be very interested to hear why the government thought that large tax reductions and interest rate cuts were a sensible policy in the light of the evidence they had of the increase in demand. Unfortunately the 30year rule means we may have to wait a while to find out. But the government could stop hlaming the statisticians now.

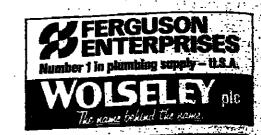
M.R. Weale,

Faculty of Economics
and Politics,

important question of the extent to which this value measure of output is reflected in quantities and the extent to This would appear to support

FINANCIAL TIMES

Wednesday October 10 1990



Soviet bank law clears first hurdle

By Quentin Peel in Moscow

LAWS creating a semi-independent central bank and laying the foundations of a commercial banking system were yesterday given a first reading by the Supreme Soviet

The new central bank system, if it survives the parliamentary committee process without much amendment, will have federal aspects, in some ways resembling the US Fed-

eral Reserve system.

The future bank would be ultimately responsible to the Supreme Soviet, not to the

Supreme Soviet, not to the Soviet government.
Its board of governors would be dominated by nominees of the central banks of the Soviet republics. But those banks would have to delegate their powers over money supply and credit to the union central bank.

A new law on the state bank

By tan Rodger in Tokyo

ONE of Japan's most senior

industrialists was sentenced to two years' jail yesterday,

suspended for three years, for taking bribes from the Recruit

publishing group.

Mr Hisashi Shinto was accused of taking the bribes

while he was chairman of Nip-pon Telegraph and Telephone, the privatised utility, three

years ago. The sentence was suspended

because of extenuating circumstances. Mr Shinto is 80. Judge Takeshi Okada of the

Tokyo district court also imposed a Y22.7m (\$173,200) fine on Mr Shinto, saying that he had to bear much blame for

having seriously undermined

Mr Shinto's resignation from NTT in December 1988 was the

- Gosbank - of the USSR has been drawn up after wide international consultation, including the Bank for International Settlements, in an effort to make the organisation com-parable with western institu-

Although it would come under the jurisdiction of the Council of Ministers, the country's executive government, its chairman and two deputy chairmen would be appointed by the Supreme Soviet for seven years, compared with only five for other government

In an effort to prevent the traditional Soviet government practice of printing money and appropriating savings from the state banking system to finance budget deficits, the central bank will in future be required to draw up an annual directive on money supply, to

first shock in what came to be

known as the Recruit scandal.

an affair arising from revela-

tions of large-scale buying of influence and favours by Mr

Hiromasa Ezoe, the Recruit

chairman, from politicians and

leading businessmen.

It ultimately led to the resignation of Mr Noboru Takeshita as prime minister in May 1989

and tarnished the reputations of several other leading politi-cians, including Mr Yasuhiro

Nakasone, a former prime min-

Mr Shinto had a distin-guished career in the ship-building industry before taking

on the challenge in 1979 of

leading NTT into the private sector. He encouraged it to

help Recruit develop a data communications business and

Industrialist sentenced in Recruit trial

be approved by the Supreme Once approved, the directive

could not be altered by the government without parliantary consent. The new law is "based on

the new law is "based on the experience of the US Fed-eral Reserve and the German Bundesbank", according to Mr Dmitri Menshikov, chief economist in the international mone-tary and economic department

The key to approval of the new legislation will be the response of the 15 union republics, who must be persuaded that their own economic "sovereignty" will be adequately

The new law lays down that the federal bank will be responsible for a single currency, conducting a single monetary, credit and foreign

in return received a large allo-cation of pre-flotation shares in

responsibility in the case is extremely great in view of his social status, the case's social impact and NTT's status as a firm designed to serve the public." He recalled that Mr Shinto had tried to come up the chart of the chart with the chart of t

had tried to cover up the share purchase by putting it in the

name of his secretary and then initially denied his involve-

It is not known whether Mr

Shinto will appeal. In separate trials, other

defendants including Mr Takao

Fujinami, a former chief cabi-net secretary, have denied that what they received from

Judge Okada said yesterday: "The defendant's criminal

a Recruit subsidiary.

However, the new Soviet mania for devolution means that, in addition to the 15 union republics, another 20 so-called "autonomous republics" are demanding some say

in the new central bank.
"Each republic seems to
think that they should keep hold of their own bank, in noid of their own bank, in order to provide their own source of money," Mr Viktor Gerashchenko, Gosbank's chairman, said yesterday.

He added that the new laws made no change to two key monopoly banks in the state system: Vneshekonombank, remonsible for foreign account.

responsible for foreign economic transactions, and Sber-bank, the state savings bank. Vneshekonombank guaran es Soviet sovereign debt.

"Only when our external payment situation improves can it become a real commer-cial institution," he said.

Negotiators to speed up work on Uruguay trade talks

By William Dullforce

A SPEED-UP in work on the Uruguay Round round of world trade liberalisation talks was agreed by negotia-tors meeting in Geneva yesterday.
The December deadline for

The December deadline for concluding the four-year round, covering 15 trade areas from agriculture to services and tariff reductions, had been threatened by failure to adhere to a timetable for completing sections of the overall agreement set down by the Trade Negotiations Commit-

agreement set down by the Trade Negotiations Committee, the round's governing body, in July.

The talks have reached impasse in a number of crucial areas including farm trade reform where they have been tripped by wide differences between the US and the European Community A breek. pean Community. A breakthrough in agriculture is gen-erally regarded as the key to the success of the whole

Mr Arthur Dunkel, director-

nity farm mmisters will meet to reconsider the EC plan put forward by Mr Raymond Mac-Sharry, agriculture commis-sioner. They had rejected his plan earlier this week. The US proposal, mean-while, has been delayed by the dispute over the budget in Congress.

erate work on the round, nego-tiators in Geneva, reinforced by senior officials from their capitals, will from next Mon-day move on to a three-shift morning, afternoon and evening – daily schedule, Mr Dunkel said.

reform, liberallsing of trade in textiles and clothing, new rules for intellectual property be taken by governments to protect industries against import surges, are scheduled to be finalised on November 2. Finally, an agreed text on liberalising the \$600bn a year trade in services is to be ready by November 12. The state of the talks will them be served.

Ford adopts tough stance in Jaguar pay talks

By Michael Smith, Labour Correspondent in London

JAGUAR, the luxury British car maker, is demanding radi-cal changes in working prac-tices as part of the most comprehensive reform package any UK car facturer for years.

The company said that any pay settlement would be condi-tional upon the removal of demarcation lines between jobs

Jaguar warned its 11,000 manual workers that unless they agreed to the changes they could not expect a settle-ment any better than the last one. That agreement, lasting two years, led to rises of 4.2 per cent and 4 per cent.

The company's tough stance coincides with a demand by unions for rises in line with the awards made at Ford and Vauxhall, which were in excess of 13 and 12 per cent respec-

For years Jaguar has trailed significantly behind its competitors in the introduction of working practices.

Mr Bill Hayden, the chair-

man of Jaguar, who was appointed following Ford's takeover of the company last year, said earlier this year that it would be necessary to remove the demarcations at Jaguar plants that had disap-peared at Ford plants 15 years

Among the most significant changes it is seeking is an end to the quota system of working, whereby employees are allocated a specific quantity of tasks each day and then stop productive work once these tasks have been performed. Instead, it wants "full shift working." It also wants work-

● Take individual responsibility for quality, including self inspection of work.

ing continued against the back-ground of rising Gulf tensions. The cut in UK interest rates Acquire and use new skills and be trained to apply process improvement techniques; was thought to be a factor in sterling's fall. Analysts said that further cuts would under-Commit themselves to "never ending process improvement", to be accompanied by participation in work-place discussions led by supermine sterling's attraction as a high-yielding currency within the mechanism.

Agree to "practical steps" to reduce unofficial work stop-

One union leader said last night he thought a deal could be achieved in spite of the com-

British Conservatives split over European integration

By Philip Stephens, Political Editor, in Bournemouth, England

DIVISIONS within the British Conservative Party over European integration were reopened yesterday by Mr Nicholas Ridley, the former trade secretary, in a sharp attack on the Thatcher government's decision to take sterling into the EMS exchange rate

His judgment that it would be impossible to maintain a "stable relationship" between sterling and the D-mark came as Mr Michael Heseltine, the former defence minister, called for membership of the ERM to mark the first stage in a more positive British approach to

the European Community.
The two speeches at the Conservative conference in Bournemouth, marking out the respectives poles within the party over Europe, coincided with confirmation that Mrs Margaret Thatcher, the prime minister, will face pressure from cabinet colleagues to tone down her opposition to a single

European currency.

Mrs Thatcher is being urged to accept in principle a commitment to the creation of a single European currency when the Community's Inter-Governmental Conference (IGC) on economic and monetary union meets in December. One suggestion is that she

Concern over

UK market

Continued from Page 1

Gulf depresses

vent it weakening towards the bottom of its band. Against the dollar – stricken

by the US difficulties with its budget deficit – the pound closed almost unchanged at

\$1.9705. The dollar touched a record low of DM1.5195 in Europe yesterday as the cha-otic process of US budget-mak-

The base rate cut had a par-

ticularly negative impact on

the bond market, where prices fell by almost a whole point as yields on UK gilts lost their

premium over other European

should agree to a formula under which Britain would sign up with its EC partners on the goal of a single currency but would retain the right to withdraw before a final commitment was made in perhaps

five years' time. Another suggestion envisaccompanied by the qualifica-tion that a further unanimous vote in the Council of Ministers would be needed in the future before a single currency

could be established.
One senior insider said that
Foreign Office and the Treasury were seeking a way to allow the prime minister to insist that she had not agreed insist that sae had not agreed to the "the abolition of the pound", while persuading Britain's EC partners that it was prepared to move in that

direction.
There are few signs, however, that Mrs Thatcher is ready to budge, despite her agreement to ERM entry. Mr John Major, the chancellor of the exchequer, has said that his plan for a "hard ECU" could lead to a single currency. Mrs Thatcher insists no commitment has been made. Downing Street has indi-cated that the prime minister

is planning to warn the IGC that Britain is ready to exer-

Continued from Page 1
the Galilee village of Tamra for
a 28-year-old Israeli Arab killed
in Monday's clash, and in the

Arab town of Taibe, roads were

blocked and tyres set on fire, while several policemen were injured by stonethrowers.

In Arab East Jerusalem, police arrested Sheikh

Mohammed Said Jamal, deputy spiritual leader of Moslems in the Holy Land, on suspicion of having incited the attack. Mr

ya'acov Turner, the Israeli police chief, said he did not expect further violence in the city. At the same time, he called on Israeli Arabs to

restrain themselves, saying:

"Enough blood has already been spilled."

The Arab world, deeply

divided over Iraq's seizure of Kuwait, joined ranks to con-

demn the bloodshed in Jerusa-

lem. The Arab League denounced the killings as "a horrific massacre" and called

for urgent Security Council

US rebukes Israelis

press ahead with the Delors blueprint. Mr Ridley's intervention on

the ERM angered his former colleagues in the cabinet and was seen by some as an indication of his continued resentment at being denied the job of resignation this summer.

Mr Ridley warned that
Britain risked being tied to an

"over-valued" currency.
That prompted Sir Geoffrey
Howe, the deputy prime minister, to emphasise that there could be "no turning back" from the decision to link sterling to the currencies of Britain's European partners.

He also stressed that the government would pay an active and positive role at the

For his part, Mr Heseltine dismissed suggestions that greater economic integration would force any loss of sover-eignty and warned that Britain could not afford to be left behind as it had been when France and Germany agreed the arrangements for the Community in the 1950s.

He called for the governmen to follow up the weekend deci-sion by restoring the indepen-dence of the Bank of England. Conference report, Page 10

easures to protect Palestin-

ians living under occupation. Western officials said it was

unclear what new missile Mr Saddam may have been allud-ing to, but they noted that Iraq claimed last December that it

had launched a three-stage rocket capable of putting satel-lites into space. Iraq, in collab-

oration with Argentina and Egypt had been working on a solid fuel rocket, code-named "Condor 2." It has also

achieved success in extending the range of Soviet-supplied Scud B missiles that were used

to hit Tehran during the Gulf

In Baghdad, an Iraqi Foreign Ministry official said the inter-national community should

force Israel to recognise Pales-tinian rights "in the same severe way that the Security

Council showed in response to the events in the Gulf." The Council has passed eight reso-lutions demanding Iraq's with-

drawal from Kuwait.

Continued from Page 1 reasonable deal."

shifting to the tax-writing House Ways and Means and the Senate Finance committhis weekend.

Their Democratic chairmen

have already indicated a willingness to consider a trade-off between a cut in capital gains tax for an increase in the top This issue was the most difficult during the five-month long budget summit talks because of the White House's unwilling-

ness to accept higher income tax rates. But yesterday Mr Bush said that if a proper balance between capital gains and

The real world breaks in

The London market's holiday from the outside world has proved even briefer than expec-ted. The chief reason is once more the oil price, back in the news as a result of the shooting in Jerusalem and further minatory noises from Iraq. It is hard to see the Gulf issue receding from public con-sciousness again this side of a resolution. This is not only because the military build-up

scarcely afford to devalue. It sounds rather like a recipe for

drift. The equity market may not be so lucky.

ties. There is no three-day

week, secondary bankers are not dropping like files and the

UK's commercial real estate market has not crashed. These

world were close to the edge. As Speyhawk has been show-ing recently, a highly-geared, go-go developer can trade its

politan having its shares

suspended at 8p, a sorry plight for a company floated at 145p

cause, it would appear, was

Monday's collapse of the County Hall project, in which L&M is deeply involved. But

how did the company find itself in such a pickie?

L&M

is reaching its climax. It is also the peak time of year for oil demand, with the result that the headlines are more likely to be concerned with price rises than price falls.

The paradox is that sterling

now seemingly beauti of RRM appeal, might have fared worse yesterday were it not for its yesternay were it not for its residual status as a petrocurrency. At its close of just 3 D-marks, it is bang in the middle of its permitted range; eight pfennigs either way and the authorities would have to intervene. From the currency speculator's viewpoint, sterling appears neatly poised between opposing forces: on the one hand, the depressing prospect of further interest rate cuts and a resumption of gilt funding; on the other, the fact that with an election in the wind, the UK Government can

general of the General Agree-ment on Tariffs and Trade (Gatt), yesterday read the riot act to negotiators at a meeting in Geneva. He warned that the ambitious attempt to liberalise trade could go down in history as "the round of lost opportu-nities and relaxed negotia-

tors".

However, he said, the EC and the US had now confirmed that they would each submit their proposals for reforming farm trade by next Monday.

On that day also, Community farm ministers will meet to recorder the EC view purpose.

Congress.
As part of the effort to accel-

Under the new deadlines accepted by negotiators yester-day, agreed texts on nine tion of goods, government pro-curement, and the revamping of Gatt's dispute settlement system, are to be ready by

October 26 has been accepted as the deadline for agreements on the hotly dis-puted revisions of Gatt's anti-dumping and subsidies codes and agreement rules for for-

eign investment.
Tough issues such as farm

the talks will then be assessed in the following week, leaving two weeks for documents to be prepared for the ministerial meeting in Brussels.

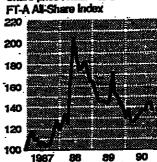
Bush agrees plan to solve budget crisis

The main attention is now tees, which are due to recast the details of the package by

marginal rate of income tax.

income tax changes could be worked out it would be fine by

Cadbury Schweppes Share price relative to the



For now, L&M is not revealing the minutiae of its finances, though on and off balat the last year-end. Its board includes four non-executive includes four non-executive directors of the calibre of the chairman, Mr Norman Ireland, ex-finance director of BTR; a former head of property at Standard Life; a representative of BICC, which owns 14 per cent of L&M; and one from a real estate subsidiary of France's Suez. One might have expected such a body to heed the warnings from the Governthe warnings from the Gover-nor of the Bank of England on excessive property borrowing. Curiously enough, the Bank's in-house pension fund owns 3.1 per cent of the company.

Euro-index These are not the mid-seven-

At first sight, the logic behind yesterday's announce-ment of the FT-SE Eurotrack 100 index seems compellingly straightforward. For the Inter-national Stock Exchange, the market has not crashed. These truths are worth restating. Times are hard in property, and will get harder in over-supplied sectors like the City of London office market. But in 1974, even the MEPCs of this world warm clear to the edge. index represents an attempt to forestall Continental rivals and protect its lead, courtesy of aq International, in crossborder trading of the main European stocks. Some investors, particularly in Japan and the US, will undoubtedly see the attraction of buying real time exposure to European markets without facing undue currency and stock-picking complications. The index way through provided it knows its business. Conditions are not so dire that good property com-panies with sensible boards neatly wraps up the best researched stocks and sensibly should end up in trouble.
Hence the questions that
sprang to mind yesterday at
the sight of London & Metroincludes important non-EC markets.

On deeper inspection, how-ever, it is hard to see the index as anything more than a well timed and constructed first to hint that the quick creation of a linked futures contract will be vital to its success. But how many important interna-tional funds will jump aboard a European index which industry is freeing up.

excludes the UK when an all-Europe index is apparently only a few months away? For the moment, there is more investor interest in exposure to individual countries than to Europe as a whole integration has further to go before a single European investment blue becomes a marketable proposi

Cadbury Schweppes General Cinema's £315th sale of its Cadbury stake recalls a whole vanished world of leverage, mega-bids and the magic of brands. When the Cadbury share price took off in 1988, it. was primarily in response to the Nestle bid for Rowntree. the Nestie bin for Rowntre. But Rowntree was not only a far simpler takeover proposi-tion than the diversified Cal-bury, Nestlé also had cash in hand. For a while, the market nourished hopes of other bidnourished nopes of other anders such as Philip Morris or Suchard. But when the latter fell prey to the former back in June, it was time for the already dog-eared book on the Cadbury break-up to go into

the dusthin. At yesterday's 312p, the Cadbury price is on around 12 times current year earnings. Its present growth momentum, is such that this is probably sustainable, subject to institutional indigestion after yesterday's placing. On the longer view, the shares might now seem unattractively immune from takeover. But should the management strumble, there management stumble, there will doubtless be other predators next time round.

British Steel

Just wait for the next steel industry upturn. It is hard to see Sir Robert Scholey's see Sir Robert Scholey's dogged advance into the European steel business, his latest target being Spain's Aristrain, making much of a difference this time around. At last night's 124p, British Steel is yielding not much short of 10 per cent unparectively. This per cent prospectively. This suggests, first, worries in the market's mind about the depth of the steel market crunch between now and 1992; and second, reasonable concerns that cash outlays such as British-Steel's £500m per annum capital spend, or its string of acquisitions and its rising tax bill, are fast gobbling up the £631m balance sheet. For the longer term, though, deals like Aris-train are welcome, if only as

This advertisement is issued in compliance with the requirements of the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The Stock Exchange"). It does not constitute an offer or invitation to any person to subscribe for or purchase any securities in Brabant Resources plc. Application has been made for grant of permission") to deal in the Unlisted Securities Market on The Stock Exchange in the undermentioned securities of Brabant Resources plc. It is emphasised that no application has been made for these securities to be admitted to listing.

Brabant Resources plc

OFFER FOR SUBSCRIPTION

County NatWest Wood Mackenzie & Co. Limited

of 10,800,000 ordinary shares of £1 each at 155p per share payable in full on application

SHARE CAPITAL

Authorised

£20,000,000

in ordinary shares of £1 each

Issued and to be issued fully paid

Upon Permission becoming effective, the issued share capital of Brabant Resources plc will consist of 16,623,266 ordinary shares all of which will be identical and form one class ranking part passu in all

Brabant Resources plc is an oil and gas exploration and production company whose principal assets are located in the UK.

County NatWest Wood Mackensie & Co. Limited has received firm undertakings to subscribe for a total of 5,400,000 ordinary shares, representing 50 per cent. of the shares being offered, which will be allocated in full. A total of 5,400,000 ordinary shares, all of which have been underwritten, are be allocated in min. A total of 5,400,000 ordinary states, an or which have been indexwinten, are available for subscription by members of the public. The minimum subscription is £775 comprising 500 ordinary shares. The application list will open at 10.00 am on 16 October 1990 and may be closed at any time thereafter. Application should be made on the application form accompanying the prospectus relating to Brabant Resources plc which has been published and copies of which may be obtained during normal business hours from the addresses set out below or by telephone request until 24 October 1990, the date on which dealings are expected to commence.

County NatWest Wood Mackenzie & Co. Limited 135 Bishopsgate London

071-375 6562

EC2M3XT

Brabant Resources pic Sterling House 150/152 High Street Kent TN9 1BB 0732 364405

Copies of the prospectus will also be available for collection during normal business hours up to and including 12 October 1990 from the Company Announcements Office, The Stock Exchange, 46/50 Finsbury Square, London EC2A 1DD.

WORLDWIDE WEATHER

FINANCIAL TIMES COMPANIES & MARKETS

Wednesday October 10 1990



to take

British Steel

By Charles Leadbeater in

strategy for European expansion. The UK group suffered a setback last month after the collapse of a

complex deal with Banesto, the Spanish bank, to buy 80 per cent

The Spanish government reacted with dismay to British Steel's announcement. Mr Mari-ano Casado, secretary general

for industry, said the govern-

ment was "enormously con-cerned" by the deal.

The joint venture would pose a threat to state-owned Rusidess,

Spain's largest steelmaker. Aristrain is Ensidesa's main domes-

tic competitor in steel section which are mainly used in the construction industry. British Steel is the leading European producer of structural steels.

The Spanish government is

worried that the proposed deal would open the domestic market to a flood of British imports. Mr

London and Peter Bruce

In Madrid

of Aristrain.

INSIDE

Goodman examiner **applies for extension**



adbury Scho

Souther to be a complete to the complete to th

y: / (constant)

At locations and the price is made and the price is made and the first and the first and the price is the price in the price in the price in the price is the price in the price in the price in the price is the price in the price in the price in the price in the price is the price in the price in the price in the price is the price in the pri

in riposa pes

with Transport

Isratish Steel

lot wat in the

"The try uptom king

St. Robert E

in minimage by

San de Derent

2.13t **350**15

with modelic

in Rose

10 mm " It's present

sutto by IIM, ugg

ar is cunidat

i iye.i. DAN 型皮! and the second second

n an an **Care sai** si

1 3 m 3 907

: :: indexing and

:: (1) (内 起 and the second

::... (chas a 2

bet fab

· in surface to

g to the p heigh

100

And the second second

 $R_{3,f}$

est

o. Limite

OF HE SE

نظم المحدود (المعارض مندور

-274.0

The second secon

And the state of t

Conference of the second of th

Jac.

والمعادية الماء

、 「如原因

in pate

The examiner for Goodman international, the group headed by Larry Goodman (left), is looking for more time to try to unravel the comlex financial affairs of ireland and Europe's biggest beef processor and exporter, Goodman is heavily indebted to 30 banks and is under the protection of the Irish

courts until the end of the year. But Goodman's creditors are clearly becoming anxious, says Kieran Cooke.

Itoman tackles identity crisis Itoman & Co, the Japanese trading house, has unwillingly become a symbol of the property indulgences of corporate Japan. But itoman is detarmined to prove that it is not a property speculator, amid growing signs that Japan's real estate boom is over and that a fall, if not a plunge, in prices is a strong possibility. Page 28

Why oil prices rise: the answers!



The best brains of the oil industry have been trying to figure out why oil prices have doubled since the invasion of Kuwait. At times their meanderings of a medieval scholastic debate* yet the universal conclusion is that the oil mar-ket has displayed more efficiency in passing on price rises to consumers than in previous oil crises. Steven Butler reports. Page 35

Davies & Newman shares drop



Davies & Newman, the parent company of Dan Air (logo left), saw its share price plunge yesterday following criti-cism of the airline from one of the UK's leading tour operating organisations, international Leisure Group, owner of not be leasing aircraft from Dan Air next sum-mer because its aircraft were old and ineffi-

clent. Paul Abrahams reports. Page 32 Learning the liberalisation ropes As the barriers between banking and securities

business are gradually eroded, the question of how to supervise financial conglomerates is becoming increasingly important. Today the world's banking regulators will meet in Frank-furt to tackle the problem for the first time. Katharine Campbell looks at the topics on the agenda. Page 30

Market Statistics

Base lending rates
Benchmark Govt boads
FT-A indices
FT for bods London recent issues London share service

44 London traded options
30 London trade, options
30 Managed field service
29 Money markets
44 New lot, bond issues
44 World commodity prices
30 World stack mix indices
38 UK dividends amounced

Companies in this section

ADT
4 Accor
44 Ansaldo
24 SCII.
24 Carter Hawley Hale
25 Consol. Murchison
24 Dow Jones
24 Gamlestaden
Guif Resources
*condent/ir Ashley (Laura) Automated Security Aviva Petroleum Davies & Newmen First Technology Goodman Inti 25 Itoman 30 Kone Hoskyns Inti Leisure Group 26 May Dept Stores 24 Motorola 24 Net Bank of Canada Lep Group London and M'chester 26 Newmont Mining 26 Nissan Fire Marine 24 Nyckeln 26 Procordia QS Royal Insurance S&U Stores

Procter & Gamble RBS Dominion Secs Savage Scanfronic Holdings Scanfronic Angucastie 24 SCA 24 Technodata Buero 26 UAL Utd. Mizrahi Bank Chief price changes yesterday

(2001) PARES (FFV)
Rileses
1145 + 55 Paile
1145 + 55 Paile
1105 - 16 Haves 4
1105 - 8.1 Merin-Seulu 4
588.5 - 16 Haves 4
1105 - 8.1 Merin-Seulu 4
600 - 10 Settong 4
70KYO (Yeau)
19³a + ¹2 Nepon Nodo 25
44²2 + ¹5 Nebe heb 16
18³2 + 1³a Nebe heb 16
18³4 - ²5 Nebe heb 16
18³4 - ²6 Nebe heb 16
18³5 - ²6 Nepon Sulu 7
33³2 - ²7 Rokya Corp 12
62³8 - ³8 USE hids 5 History 479 + 17 Heideby Zott 1145 + 55 2450 — 300 486 — 11 455.2 — 21.3 .1870 — 75 411.1 — 13.9

LOSDON (Peace) · 600 325 — | Elimes | Enterprise | 668 + 6 | Enterprise | 346 + 5 | Fallie | Afr. | 24 | Biblio (F.) | 363 - 20 | Seventer | 455 - 18 | Seventer | 455 - 19 | Cable & Winn | 420 - 27 | Davies & Newman | 73 - 136 | Dovidy | 172 - 19

O THE FINANCIAL TIMES LIMITED 1990 London exchange unveils European stock index

By Richard Waters in London

LONDON'S International Stock Exchange vesterday unveiled a new real-time stock market index of continental European stocks, signalling an intention to strengthen its grip on cross-border share dealing in Europe. The index, to be called the

FT-SE Eurotrack 100, has been developed in association with the Financial Times. It covers 100 leading continental European stocks and is designed as a "sister" product to the FT-SE 100 mdex of UK shares. The exchange's move pre-

empts a similar European index to be based on Pipe, a proposed pan-European share price infor-

mation system being developed jointly by European exchanges, including the ISE. The length of time taken to develop Pipe, and the danger of a rival index being launched in the meantime, is the reason the Lon-

don exchange has acted alone,

officials say. The FT-SE Eurotrack 100 is based on the stock prices of non-UK companies quoted on Seaq International, the exchange's international marketplace. These are continuous prices, unlike those available on many continental exchanges, and the index, updated from minute to minute, will continue to operother European domestic mar-

It will be calculated from 9.45 to 3.30 daily. A second European index, to include UK shares, is planned for early next year. The Financial Times, besides lending its name to the FTSE Eurotrack 100, will supply the exchange with information about capital changes in constituent companies to enable it to calculate the value of the index. The European Options
Exchange in Amsterdam recently
launched its own European
index, and is understood to be
discussing the development of

ate outside the trading hours of derivative products based on the rather than the Ecu, which is index with Matif, the French

> Derivatives based on the FT-SE Eurotrack 100 are being considered by the London International Financial Futures Exchange and the London Traded Options Mar-ket, which are planning a However, the markets have yet

> to confirm they will use the FT-SE Eurotrack 100, and are not expected to make a decision before next spring, when they have had a chance to assess its performance. One concern is thought to be the decision to calthought to be the decision to cal-culate the index in D-Marks

used in the Amsterdam index.
The ISE said it had ruled out

May 88 buys 4.6m

shares for £16.3m

45% of **Spanish** the Ecu since it was not a cursteelmaker

the Ecu since it was not a currency used by fund managers in assessing their European investments, and did not offer the same range of currency hedging opportunities as the D-Mark.

The index, which goes "live" on October 29, is weighted according to the countrie' relative capitalisations. Within each country, the largest stocks in country, the largest stocks in which there is a liquid market on

BRITISH Steel is to buy a 45 per cent stake in Aristrain, the pri-vate Spanish steelmaker, as part of a joint venture announced yes-Seaq International are included, provided there are no trading terday.

The deal, subject to approval by the European Commission, should revitalise British Steel's

Share price

ALC: VIII.

General Cinema sells Cadbury stake for £315m

By Maggle Urry in London

GRNERAL Cinema has walked into the sunset with an \$80m profit after a £315m (\$617m) placing of its 102m shares in Cadbury Schweppes yesterday. The sale ends almost four years of uncer-tainty for the UK-based confec-tionery and soft drinks company. Cadbury shares fell 23p to close

at 312p yesterday, 3p above the placing price of 309p.

General Cinema, the US cinema and speciality retail group, will receive nearly \$500m in cash after tax and costs. It said yester-day the sale would add \$1.10 a share to its current quarter earnings. Its shares rose in response to the news. It said that after the sale it

General Cinema was once seen as a possible bidder for Cadbury. It said yesterday it sold the

would have \$1.5bn in cash and was "still looking for a new oper-

profit on them was now the best option for its shareholders. It is thought that General Chema has been trying to sell for over a year but has seen the price

slipping. Cadbury said it was encouraged by the way the shares were so readily taken up by institu-tional investors, saying this was a sign of confidence in the company.

The sale was a "bought deal"

Youte Wedd

with Barclays de Zoete Wedd Securities and Cazenove, the securities houses, jointly taking the shares on to their own books before placing them. They refused to disclose the price at which they bought the shares. General Cinema appears to have made a small return on its investment when spread over the

1987, topping up its stake after the stock market crash in Octo-

buys 47.5m cheres for £90m

At its peak General Cinema's stake amounted to 18.4 per cent of Cadbury's shares, but that percentage has been diluted. General Cinema is keeping 13.2m Cadbury shares to satisfy holders of a debenture which is convertible into Cadbury shares. The debenture was issued in May 1987 as a means of financing part of the holding.

During 1988, when Nestlé, the Swiss-based confectionery group, successfully bid for Rowntree, the UK sweets company, General Cinema announced it "should no longer be considered a passive investor" in Cadbury and said that it had lined up \$1bn of funds to buy more shares.

Nov 87 buys

At the time many people thought that this was an attempt to finsh out a bid from elsewhere. General Cinema's only other overtly hostile move was in 1989 when it used its stake to delay for some weeks Cadbury's request for shareholders' approval to raise its borrowing

powers. Cadbury said yesterday that it had not changed its business strategy while it had General Cinema on the share register. Its pre-tax profits have risen from

£130.7m in 1986 to £251m in 1969, while the growth in earnings per share has been slower, up from 14.28p in 1966 to 24.89p in 1989.

As part of its expansion strategy, the UK group has made a series of acquisitions — notably buying in the minority of its Australia tralian subsidiary, purchasing the soft drinks businesses Crush in the US, Citresa in Spain, and the soft drinks side of Perrier, the French mineral water group. It has also taken over Trebor and

to 60 per cent. Lex, Page 22

Bassetts, two UK sugar confec-tionery companies. At the half year stage its gearing was close

Casado said: "Ensidesa could not enter a price war with British Steel – it is too big." Aithough the government can-not legally block the deal, it may put pressure on Aristrain to involve a Spanish partner in the venture.
British Steel would not disclose the price of the stake but it is thought the deal would be worth about £114m (\$223m). Aristrain has an annual turn-over of about £400m and a net asset value of about £225m. The partnership would give British Steel access to the Spanish con-

struction market, as well as to Aristrain's European distribution network.

The two companies have been negotiating for months. British Steel's initial approaches were thwarted when the government tried to put together an alterna-tive bid from Ensidese and Altos Hornos de Vizcaya, Spain's other

integrated producer. However, AHV's ba refused to finance the deal. In August, Banco Español de Credito (Banesto) announced a deal with British Steel in which they would each take 40 per cent of Aristrain. The deal collapsed when the stock market valuation of Banesto's industrial holdings was cut by the rise in oil prices. Lex, Page 24

Accor reports 50% rise in first-half net profits

ACCOR, the world's largest hotel group in terms of the number of cast a 30 per cent growth in earnings for the year.

The results come three months

after Accor launched its \$1.3bn takeover of Motel 6, the cut price US motel chain, which came too late to affect the first-half results. Because of its high debts, Net profits rose to FFr331m in

the first six months of the year, from FFr220.5m in the same period of 1989, on turnover up by 13.9 per cent from FFr9.5bn to FFr10.8bn. Adding in a FFr241.5m extraor-

dinary gain from the sale of a hotel in Paris, cash flow grew by Motel 6 is expected to make a slightly negative net contribution just over 70 per cent from

to Accor's group profits for 1990.

These would grow from last under half of Accor's turnover year's FFr606.1m (\$117.91m) to FFr787.9m, according to the Motel 6 takeover, with the rest ability, said Mr de Surville. rooms under management, yes-terday reported a 50 per cent rise in first-half net profits and fore-group's forecast.

year's FFr806.1m (\$117.91m) to FFr787.9m, according to the Motel 6 takeover, with the rest from institutional catering, restaurants and luncheon vouchers. Accor has borrowed FFr5bn to finance its acquisition of Motel 6. doubling the group's long-term debts to around FF19.5bn, where they stand level with sharehold-

ers' funds, said Mr Olivier de Surville, group financial controller.

Motel 6, which was performing on target, would again contribute ened from 8.5 per cent to 9.6 per cent in the first half, thanks to a high level of hotel activity in Europe, good progress from the huncheon vouchers business where Accor is also the world

market leader - and gains from the disposal of loss-making res-Brazil, where Accor earned 10.3

per cent of net profits in the first half, started the year strongly but has since been hit by the

first half, bringing the total to 917 by the end of June, to which the acquisition of Motel 6 in July has added another 536. The total of rooms owned and under manage ment is 131,900 worldwide. During the same period, the

Ticket Restaurant luncheon voucher business added 275,000

Maxwell places De La Rue holding in £74m disposal

DE LA RUE yesterday escaped from the shadow of Mr Robert Maxwell, the publisher, when Maxwell Communication Cor-poration's 21 per cent stake in the banknote printer was sold to institutions for £74m

(\$145.76m).
Smith New Court, the stock-broker, placed the holding yesterday at 248p a share — an estimated loss for the Maxwell publishing empire of nearly 250m. Mr Maxwell first bought into De La Rue three years ago at an average price of about

at an average price of another 400p.

Smith, which was appointed to anotion the holding a week ago, is thought to have made a profit of about £1.5m on the "bought deal".

According to other market-



Robert Maxwell: loss carried out several such deals, took the De La Rue stake on to its books at 243p a share, before distributing it through institutional contacts. Smith

refused to confirm how much it had paid for the line of stock. De La Rue's shares slipped 9p

to 254p yesterday. Mr Jeremy Marshall, De La Rue's chief executive, said yesterday: "We are just quietly satisfied that the situation has been resolved and we can get on with running the busi-Mr Maxwell has until Octo-

ber 23 to pay off \$415m of short-term debt at MCC and the De La Rue stake was part of a planned programme of disposals, some of which have already been achieved. The group may have sold a small part of its holding before yesterday: Smith placed 29.8m shares compared with the shares, compared with the 30.5m shares Mr Maxwell was thought to control.

4% and cuts 600 jobs **SCA** falls

By John Burton in Stockholm

SCA, the Swedish forestry group that recently acquired Reedpack in the UK, yesterday reported a 4 per cent fall in profits after finan-cial items to SKr1.7bn (\$300m) for the first eight months of 1990. It also announced it was cutting 600 jobs at its Mölnlycke hygiene products division.

It repeated its earlier prediction that profits for 1990 would slide by 10 per cent to SKr2.4hn. Sales during the eight-month period increased by 18 per cent to SKr18.6bn, with half of the increase attributed to the takeover of Reedpack.

Operating profits for Mölnlycke, SCA's biggest divi-sion, dropped by 19 per cent to SKr410m, despite a 10 per cent increase in select to SKr7.9tm. The profits were hit by a price war with the US group, Procter & Gamble, in the European dispos-able nappy market, where the two companies are the leading

producers. Other Mölnlycke hygiene products continued to show good profits.

Mölnlycke will cut 600 jobs out of its 11,500-strong workforce in an attempt to improve profitability. Other measures include concentrating production in fewer plants, reorganising its adminis-trative structure and trimming its product line in napples. Some 200 of the job cuts, most

of which were disclosed earlier this year, will occur at Mölnlycke's Telford plant in the UK, and the rest will be in France and Sweden. Mölnlycke hopes that its

rationalisation programme will produce cost savings of between 10 and 20 per cent. It also plans to increase its marketing in southern Europe, where Euro-pean sales of disposable names are lowest. SCA's graphic paper division

reported the biggest profit fall

during the eight-month period, with earnings down by 39 per cent to SKr355m. The drop was blamed on higher production costs in Sweden, lower pulp prices, stagnating prices for newsprint, and a drop in production volume with the shutdown

of two paper machines. Mr Sverker Martin-Lof, president, said Sweden's growing production costs were leading to lower profits for linerboard, pulp and printing paper, in contrast to the good profits shown by the company's foreign operations.

Reednack, whose results were consolidated in SCA as of July 1, had an operating profit of SKr98m for July and August. The packaging division reported a 23 per cent rise in operating profits to SKr495m. This figure included SKr183m in capital gains derived from the sale of minority hold-ings in associated companies. Procter & Gamble, Page 26

FOR TODAY'S INVESTOR

Introducing **Fidelity** Funds.

With heightened volatility in world stockmarkets challenging even the most astute international investor, investment flexibility, choice and firstclass fund management

expertise are now more important than ever. That's just what Fidelity Funds offer. The launch of our new

global investment range one of the most comprehensive available to date — marks a significant step forward in international

investing. For the first time you have the choice of where, when and how to invest - around the world - backed by the global

investment expertise of the world's largest independent investment management organisation.

For a prospectus and further information contact any of the Fidelity offices London: Hilary Smith 44 71 283 9911

Taipei: John Teng 886 2764 8931

Munich: Stanley Bronisz 49 89 33 6203

Hong Kong: Richard Wastcoat 852 848 1700 Amsterdam: Teun Scheer 31 20 710 976 Jersey: Geoffrey Talt 44 534 71696 Bermuda: Mike Sommerville 1 809 295 0665

THE GLOBAL FUND RANGE OF THE '90s



Worn out by Friday.



Besides providing printed and on-line prices daily, we also publish them in the Weekly Eurobond Guide.

it's packed with up-to-date information on yields, amounts outstanding, ratings, who trades the issue, as well as coupons, maturity dates, lead managers... So, by the end of the week, it's been

heavily thumbed. By fund managers and analysts as well as by bond dealers. No wonder it looks a little ragged round

It takes a lot of beating.

CRI INSURED MORTGAGE

ASSOCIATION INC.

USD 140,000,000 Guaranteed Secured

In accordance with the terms and conditions of the

Guaranteed Secured Notes, notice is hereby given that

for the period from October 10, 1990 to January 10,

1991, the Guaranteed Secured Notes will carry an interest of 8.46875% per annum accruing on the

The relevant interest payment date will be January 10,

1991 and the coupon amount of interest payable per Guaranteed Secured Note will be USD 2,010.61.

Banque Générale du Luxembourg S.A.

Agent Bank

outstanding principal amount of each Note.

Floating Rate Notes due 1998

FREE TRIAL OFFER

en i.meharbour, Docklands, London E1 4 9NQ. phone: 071-538 5656. Fax: 071-538 4902. Please sand me a free copy of the Weekly Euroband Cairle

PT10/10/90

SABRE VIII LIMITED

JP¥5,000,000,000

Floating Rate Secured.

Notes Due 1993

For the 3 months period 8th

October, 1990 to 7th January, 1991 the Notes bear the

Interest rate at 8.4375%.

JP¥21,328.00 will be payable from 7th January, 1991 per
JP¥1,000,000 principal

Yamaichi International (Europe) Limited, Agent Bank

amount of Note

invasion of Kuwait. A proposed issue of shares by Amax Gold has been can-

celled and analysts have been giving the Newmont issue little chance of getting away.
Mr Graham Birch, analyst
with Ord Minnett in London,

buyer for all its 49 per cent shareholding in Newmont. He said US gold funds had no appetite for shares because they were suffering a loss of funds. He suggested that whether the sale went ahead

failure over **Newmont** shares sale

By Kenneth Gooding, Mining Correspondent

HANSON, the UK-based Anglo-American conglomerate, faces an embarrassing failure of its attempt to release at least \$350m of the \$1.5bn it has tied up in Newmont Min-ing, the biggest US gold mining group, analysts suggested

Hanson and Newmont between them hoped to sell 12m Newmont shares plus 6m warrants. But yesterday Newmont said it would not go ahead with the sale of the 3.6m new shares it intended to

However, Hanson said it still hoped to proceed with the sale of 8.4m of the Newmont shares it acquired in August last year when it took over lidated Gold Fields of the UK.

the UK.

The market did not take kindly to the news that Hanson had not yet admitted defeat, and Newmont shares fell in New York by \$1% to \$38% on the news. They shod at \$47 before the share sale proposal was announced on proposal was announced on

Angust 30.
Then it seemed that Hanson hoped to raise between \$40 and \$45 a share from the sale of the equity and the war-rants, which would entitle each holder to one Newmont

the market could absorb so many Newmont shares: market conditions are difficult because the gold price has not jumped as high as some observers expected after the

pointed out that the market was disappointed that Hanson had not found a corporate

depended mainly on whether Hanson would be willing to take a paper loss on his New-mont shares, acquired for about \$36 each.

INTERNATIONAL COMPANIES AND FINANCE

Hanson faces UAL board rejects latest buy-out offer for airline

By Nikki Talt in New York

THE BOARD OF UAL, the parent company of United Airlines, yesterday rejected a new bid for the US carrier from the

employee-led buy-out team. The buy-out group, compris-ing unions and employees at the airline, has spent more than a year trying to mount a After a brief meeting yester-

day morning, the board said it had terminated the agreement

which it had agreed to enter

into last April.
It dismissed the latest bid by the unions and employees on the grounds that the value was uncertain, but "substantially lower than the April 9 agree-ment". The board also said the proposal was not accompanied by definitive financing arrangements and "was subject to other significant contingencles". There was no immediate response from the buy-out

group.

The buy-out team had not said publicly how much it thought the offer was worth, However, it made clear at the weekend that attempts to raise a \$2bn bank debt facility to fund a predominantly-cash offer had failed, and that the latest bid would comprise less cash and more securities.

Wall Street had speculated that the cash element might amount to about \$70 a share, with the paper portion valued at slightly more.

Based on those estimates, Wall Street had anticipated rejection by the board, driving the UAL share price \$10% down to \$91 during the past few days before trading was halted yesterday.

The board had previously accepted a \$201-a-share offer from the buy-out group which gave each UAL shareholder \$155 a share in cash, with the balance in securities valued at

Rejection could signal indus trial unrest at the company. The unions, which have imposed a voluntary moratorium on wage negotiations while the buy-out attempt is under way, have indicated that if the attempt fails, they will attempt to claw back lost pay increases and consider strike

Rejection by the board might trigger shareholders' action. Coniston Partners, UAL's largest shareholder with 11.8 per cent, has threatened to replace the board if it turns down a "reasonable" offer.

For the first nine months

earnings were \$390m, or \$2.98 per share, compared with \$366m, or \$2.82, a year earlier. Sales were \$7.950n, up from

\$6.97bn a year ago.

Mr George Fisher, chairman
and chief executive officer,
said new orders in leading

businesses increased throughout the world, despite

economic uncertainty in the

The most rapid growth was in Asian markets.

"Our semiconductor business continued to do well.

Profit pressures in the

communications arena stem

from investments that are setting the stage for long-term growth," he said.

nary items in the year to August 4, with an amounce-ment that it was selling its 28-outlet Thalbimers subsidiary to May Department Stores for Carter said the final sale price, subject to closing adjust-ments which it expected to add

Loss of \$26m

Hawley sells

CARTER Hawley Hale, the

highly-leveraged Californian department store chain, yester-

day coupled news of a \$26m loss after tax and extraordi-

as Carter

subsidiary

a further \$15m to the sum received, would help to pay some \$320m of the group's \$1.70n debt.
About \$180m of the debt associated with Thalhimers

will be paid off, while the remaining \$140m will go to reduce short-term borrowing. News of the sale pushed News of the sale pushed Carter Hawley's junk bonds sharply higher, in contrast to the general declines in the market yesterday morning.

The Thalhimers stores are based in Virginia, North Carolina, South Carolina and Tennesses and had sales of around

nessee and had sales of around \$445m in 1989. May, which moves into the Carolinas for the first time as a result of the deal, said that it planned to keep the stores' existing name. The Carter Hawley loss for 1989-90 comes after a particu-larly poor fourth quarter, when the company saw a net deficit of \$19.5m before extraordinary items, compared with a \$7.5m deficit in the same period a

The loss was struck after a Lifo charge of \$16.7m. compared with a surplus of \$2.7m last time. After extraordinary tiems, the fourth-quarter loss deepened to \$25.5m.

The full-year loss stood at \$9.5m before extraordinary items and at \$26m after such charges were included. These figures were scored on sales of \$2.85bn while interest charges totalled \$617.6m for the year.

Procter & Gamble expects net income of \$1.55 per share

By Karen Zagor in New York

PROCTER & Gamble, the big US household products group, yesterday said it expected to report net income of about \$1.55 a share in the first quar-ter ended September 30. Mr Edwin Artst, chairman

and chief executive, said volume rose strongly in the three months. He said: "I would be remiss, however, if I were to leave you

with this glowing report and not express some sense of cantion and concern over the gen-eral condition of the economy, particularly in the US, and of course the uncertainty sur-rounding the situation in the Middle East."

He added that consumer pur-

chases of goods and services were up only 0.3 per cent in the second quarter of 1990 "although purchases of the kinds of products Procter & Gamble makes have held up better than the overall aver-

age". In the first quarter of last year, the company's net income grew 38 per cent to \$551m, or \$1.66 a share, thanks to volume growth for its range of household and personal care products and a favourable set-tiement of litigation. Sales in the three months advanced 5.8 per cent to \$5.57bn. Shares in Procter & Gamble

slipped \$1% to \$78% at mid-day yesterday on the New York Stock Exchange.

Motorola results hit shares

By Louise Kehoe in San Francisco

SHARES of Motorola, the US electronics and semiconductor manufacturer, plunged by over 12 per cent yesterday on news of lower than expected third quarter earnings. The company's stock opened at \$52, down from \$59% in heavy trading on the New York Stock

The company reported earnings of 78 cents per share, up from 69 cents in the third quarter last year but substantially below analysts' projections of \$1.18 to \$1.25 per

Earnings for the quarter were \$102m, or 78 cents per share, compared with \$89m, or 69 cents. Third-quarter sales rose 12 per cent to \$2.70bn from

By Bernard Simon in Toronto

SEVERAL of Canada's leading securities firms have imposed stringent austerity measures,

ranging from layoffs to cancel-lation of a shareholders dinner.

in response to the deterioration

RBC Dominion Securities,

the country's biggest firm which is 68 per cent owned by Royal Bank of Canada, con-firmed yesterday it had ordered a C\$10m (US\$8.9m), or

6 per cent, cut in overheads over the next 12 months.

Directors are taking a 7.5 per

cent cut in base salaries, and the firm has cancelled two tra-ditionally elegant dinners at this time of year, after the directors' and annual meet-

\$2.41bn in the third quarter of Non-recurring charges during the quarter were offset by non-recurring gains, the company said.

It did not disclose details but said one-time charges were associated with the consolidation of its Mobile and Portable Products divisions.

Gains were attributed to the

sale of a building in Massachusetts and payments associated with the settlement of semiconductor intellectual

roperty disputes. Earlier this week Motorola announced the settlement of a long-running dispute with Hitachi of Japan over microprocessor patent rights.

Canadian securities firms cut costs Canadian Imperial Bank of Commerce, is also in the throes premises and is looking closely at its communications costs. The 72 members of the

> Lynch Canada earlier this The firm employs about 2,000 people, down from 2,600 last January. Unspecified cutbacks are also under way at Nesbitt Thomson, 75 per cent owned by Bank of Montreal. Nesbitt has been one of the industry's most

of a restructuring which has cut its workforce by more than

20 per cent since it acquired

the retail operations of Merrill

consistently profitable firms. Dominion Securities' chief operating efficer. His Ray Mackay, said yesterday, "Business is difficult and we're trying to tighten our belts as

Toronto stock exchange suf-fered a combined loss of C\$128.9m in the first half of 1990, up from a C\$1.2m loss a year earlier. Wood Gundy alone lost close to C\$50m in the nine months to July 31. By common consent, the indus-try's financial performance has deteriorated significantly since

Both corporate finance business and trading volumes have dropped sharply this year. According to the investment Dealers Association of Canada, common share financings tum-hled to C\$551m in the first half Wood Gundy, controlled by plans to sub-let some of its the previous six months.

Lanawirtschattliche Kentendank

Frankfurt/Main, Federal Republic of Germany



DM 200,000,000 101/4% Floating Rate Notes of 1990/2000

lasue Price:

Interest Rate:

101/4% p.a., payable annually in arrears on October 10, 1991, 1992 and 1993, thereafter 15"/" p.a. less Six-Months-DM-LIBOR, payable semi-annually in arrears on April 10 and

DG BANK

Deutsche Genossenschaftsbank

Deutsche Slediungs- und Landesrentenbank

Industriebank von Japan (Deutschland)

Miteubishi Bank (Deutschland) GmbH

BHF-BANK

NOMURA BANK (Deutschland) GmbH Yamaichi International (Deutschland) GmbH

Dow Jones profits fall 41.1%

By Nikki Tait

DOW JONES, publisher of the wall Street Journal, has reported a 41.4 per cent fall in third-quarter operating profits,

The smaller reduction at the operating results.

The smaller reduction at the Nevertheless, Telerate's Wall Street Journal, has reported a 41.4 per cant fall in third-quarter operating profits, although the decline at the after-tax level was a more modest 17.5 per cent, to \$23.8m or 24 cents a share.

The lower figures were blamed partly on higher inter-est costs and goodwill amortisation in respect of Telerate, the financial information netthe financial information net-work of which Dow Jones took full ownership last January. Together, according to Dow Jones, these factors knocked 11 cents a share off net earnings. However, profits also fell very sharply at the business publi-cations division.

The third-quarter results were scored on revenues of \$408.5m against \$404.1m in the net profits level was explained

by a one-off tax credit, worth \$9.3m or nine cents a share, resulting from the investment in Telerate. In divisional terms, the information side saw operating profits fall from \$54.8m to \$35m, on revenues of \$185.1m, up from \$175.3m. However, Dow Jones said that the pic-ture was distorted by the inch-

sion of the total costs of Teler-

ate's electronic foreign exchange dealing system. Last year, this was being developed by Telerate in conjunction with a 50 per cent partner which has now been bought out. Accordingly, Teler-

other US businesses were affected by the depressed con-ditions in the financial services

ditions in the financial services industry, although profits growth in Europe and Asia was "strong" during the period. The business publications division, meanwhile, saw profits fall from \$13.35m to \$2.71m, on revenues of \$163.8m, down from \$170m. Dow Jones said this largely reflected the decline in advertising revenue at the Janual – down 16 per at the Journal - down 16 per cent. The paper's circulation was some 2 per cent higher than a year earlier.

The community newspaper business operating profits fell 7.4 per cant to \$7.94m.

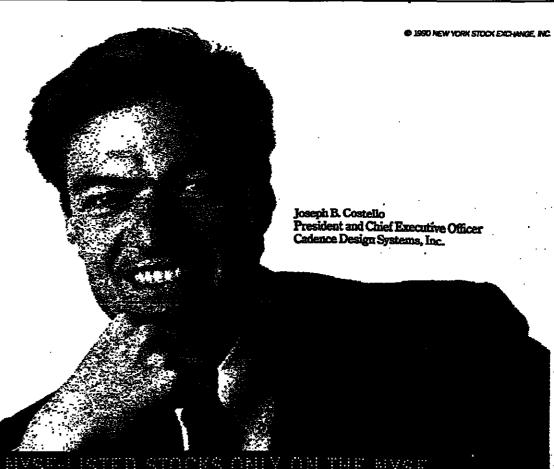
"In Tokyo, London, Frankfurt and Paris, the market that people know is the New York Stock Exchange."

"Cadence is the fastest growing and most profitable public electronic design automation company in the world. About half our business is overseas and our presence in Europe and Asia will increase as we continue to grow.

"When we told our employees, customers and investors around the world that we were moving from the over-thecounter market to the NYSE, they were excited. Why? Because of the NYSE's narrow spreads, liquidity—especially in tough times—and visibility.

"The NYSE is a much stronger vehicle in attracting investors overseas and raising our profile in the international financial community. You know you've made it when you list on the New York Stock Exchange." The most liquidity. The highest visibility. The fairest pricing. The broadest access to the greatest number of

investors. Just a few of the reasons why so many outstanding companies list their shares on the New York Stock Exchange



INTERNATIONAL COMPANIES AND FINANCE

Norwegian bank reveals loss of NKr164m

By Karen Fossii in Oslo

Loss of the

A HIRT LAN

Alianti fillion di la constitucione della della

The second

tho charge of Man.

The sub t what

the funktion

The full jest lange

telore enter

STATES BUTY STATES

E was while more to **小河 制 衛 庫 位**

Procter & Gast

expects net inc

of \$1.55 per de

ENTRE & Code to and public er er fan seed it boos ारून वर्ग **व्यवस्**र्वर

Sind a share breite , romen Septemba I the Elinia shtf de

ार्ग कर्ना सम्बद्धाः हो

· --: 1/50 红丽枝 🎼

· ** ** :[] #229 日蓮 A STATE NEW COME.

---- स्थानिक स्थापित en, relignates na terretaine in the Care PAGE OF THE

the county

. WARM ASUK

Were inches

FOKUS BANK Norway's third largest commercial bank an-nounced yesterday that it had suffered net losses of NKr164.im (\$27m) in the first eight months of this year, against net profits of NKr60.9m in the same period last year. The bank's operating profit

was nearly halved to NKr271.9m from NKr469.5m last year. However, the bank managed slightly to reduce credit losses

to NKr436m from NKr469.5m in the first eight months of 1989. Mr Steinar Robertsen, a senior bank official, said that for the year as a whole the bank expects credit losses in the range of NKr550m to NKr800m. He said the bank's operating profit fell as a result of squeezed credit margins, though operating costs were raughly on the same level as last year at NKr867.7m for the first eight months of this year.

On September 1, Fokus merged with Tromsbanken, a medium-sized bank, and from March 1991 will complete a merger with Rogalandsbanken, another medium-sized bank, on

the west coast of Norway.

Separately, Sparebanken Nor, Norway's biggest savings

bank, announced yesterday

that net profits in the first eight months of this year had been halved to NKr156.5m from NKr321.2m last year. Sparebanken was earlier

known in Norway as ABC Bank before it merged with four other savings banks, and was known internationally as Union Bank of Norway. Credit losses in the first eight months fell to NKr567.8m

from NKr670.6m last year. Group operating profit, before credit losses was reduced to NKr724.3m from NKr991.8m in 1969 as a result of lower earnings from securities trading.
The merger with four other savings banks; Sparebanken Buskerud, Vestfold, Oesfold and Oestlandet was completed the October 1, retroactive to January of this year, at a cost of NKr30m. Combined assets are estimated at NKr80bn.
The bank has an equity ratio of more than 8 per cant, amongst the highest of Norwe-gian banks, in line with the Bank for International Settle-

ments requirements. The bank forecast that for the year as a whole credit losses will be reduced from NKr950m in 1988, but will be higher than NKr560m experi-

Restructuring costs blamed for heavy Procordia fall

PROCORDIA, the Swedish state affiliated food and pharmaceutical group, yesterday reported a 56 per cent drop in profits after financial items to SKr958m (\$170m) for the first eight months of 1990. The profits are pro-forma because of Procurdia's recent takeover of the Pharmacia pharmaceuticals group and the Provendor food business from Volvo, the Swedish vehicle and

erospace group. Restructuring costs of SKrl.2bn were blamed for the lower earnings report. Volvo and the Swedish state each have a 42.5 per cent voting

of the takeovers. The compa-nies comprising the new Pro-cordia reported total profits after financial items of SKr2.18bn during the corresponding period last year and an operating profit of The enlarged Procordia said

the operating profit for this year's eight-month period declined by 60 per cent to SKr795m, while sales SKr795m, while sales increased by 1 per cent to SKr24hn. Procordia predicted that operating profit for the year will amount to SKr2hn, com-pared with the 1989 pro-forma

Ansaldo to go it alone on turbine production

By John Wyles in Rome

ANSALDO, Italy's state-owner electrical engineering com-pany, is expected to sign a lic-ensing agreement before the end of the month which will take it into the production of gas turbines.
The decision, announced

yesterday by Mr Fabisno Fabi-ani, managing director of Fin-meccanica, Ansaklo's parent npany, has been determined company, has been determined by the recent shares and assets swap agreement between Fiat and CGE of France and by the breakdown of the joint ven-ture with Asea Brown Boveri (ARB). Finmeccanica initially wanted a global rationalisa-tion agreement with Net secwanted a global rationalisa-tion agreement with Fist cov-ering railway equipment, acro engines and gas turbines. This has been substantially pre-empted by the Fist-CGE deal. Ansaldo has been left with no option but to search itself alone into the production of gas turbines to replace its nuclear plant engineering activities. These were run

three years ago to abandon nuclear energy. The choice of licence could, however, determine future options. The original plan envisaged the use of ABB tech-nology, but this has been abandoned now that Finmec-caulca is trying to unwind two joint ventures with ABB covering transmissions and power generating components. The partners have fallen out over ABB's second thoughts on ced-ing control of the components

down after Italy's decision

venture to Ansaldo. It is thought that Finnec-anica is still interested in a gas turbine production collab-oration with an Italian partner. There are only two possibilities: Nuova Pignone, part of the ENI group; and Flat. The former uses General Elec-tric technology and the latter Westinghouse. Given Flat's reluctance to make joint ven-tures with the Italian public sector, it is possible Finmec-canica will opt for Nuova Pig-none and General Electric.

After acquiring the technol ogy, Ansaldo would be able to bid for participation in the supply of gas turbines for 16 power stations to be built in

Cash squeeze sorts the shaky from the solid

John Burton on the shake-up in the wake of Sweden's finance company liquidity crisis

that hit three of Sweden's leading finance companies - Nyckeln, Independent/Infina and Gamles-taden - is causing a signifi-cant shake-up in the sector, which grew rapidly in the 1980s.

Increasing concerns about the finance companies' sizeable property loans in Sweden and the UK will mean that most of them will pay higher interest on their commercial paper, their primary source of financ-ing. Questions are also being raised about the degree of credit risk awareness in Sweden's relatively new and unso-phisticated commercial paper market.

Moreover, the crisis repre-

sents a setback for Mr Anders Wall, the flamboyant Swedish financier and principal share-holder in Nyckeln. It also affects Fermenta, the previously scandalised antibiotics company that diversified into financial services with its fina in the last two years.

Swedish finance companies were established in the early 1980s by the country's national banks to avoid strict quotes on lending and provide financing to small companies and indi-viduals. Other independent finance companies, established by large industrial concerns and financial entrepreneurs,

However, the finance compa-nies lost business in 1986 after the credit quotas were scrapped as part of the govern-ment's deregulation of capital



Erik Penser: big shareholder in Gamlestaden

markets. Their customers returned to the banks, which offered cheaper loans.

The finance companies com-

pensated for their lost business by increasing activity in leas-ing and factoring. However, the introduction of tax reforms in 1990 and 1991 has reduced demand for these services, which were used as tax shel-

concentrated on credit card operations and financing property deals in Sweden. Lending expanded with the abolition of Sweden's strict foreign exchange controls last year as the finance companies arranged bridge loans to support property speculation by Swedish investors in European markets, primarily London. The finance companies were able to obtain ample credit

since they paid almost the same interest rates on their commercial paper as blue chip companies and big mortgage institutions did with their better credit ratings. However, the government

expressed concerns about the shaky financial conditions of some finance companies. It introduced new rules last year to strengthen the capital-reserve requirements for them. It also established an authorisation system. This cut the number of finance companies by half, to 150, leaving them, it was believed, in stronger

But fears of a crash in property prices in Sweden and the UK, together with Sweden's deteriorating economy have upset this complacent judg-

When Nyckein, Sweden's fourth largest finance company, two weeks ago sharply reduced its 1990 profit forecast from SKr175m (\$31m) to SKr25m to cover possible losses in the London property market by Allburg one of its market by Allhus, one of its prime borrowers, it triggered a crisis in confidence affecting the biggest independent finance companies. Nyckeln, Independent/Infina and Gam-lestaden could not find buyers for their short-term commer-cial paper, leading to a severe liquidity squeeze. Trading in shares was suspended for the three finance companies, together with Mr Wall's Beijer Capital and Fermenta, as fran-

quickly put together for Gamlestaden, the third biggest finance company in Sweden, since its main shareholders, Mr Erik Penser and his Nobel industries, are in a strong financial position. The com-pany received SKr500m and a consortium of six banks guaranteed short-term financing.

ndependent/infina, the country's largest finance A company, was strength-ened with a SKr200m capital gain through the sale of its Finax consumer credit company to Wasa Insurance, and a SKr200m injection from Fer-menta. On Monday, it also announced that it was selling

its loss-making stock brokerage subsidiary, Consensus, to Ostgota Enskilda Banken. Independent/Infins, which reported a SKr325m loss for the first eight months of 1990, was designed to play a key role in plans to revive Fermenta, which was at the centre of Sweden's worst post-war bourse scandal under its former owner, Mr Refaat El-Sayed. After Fermenta was taken over in late 1986 by industrivarden, a holding company affiliated with Svenska Handelsbanken, its new own-ers announced they would

for half of turnover. Nyckeln has encountered the most difficulties in solving its troubles, with the company ship until the beginning of December. Beijer Capital, the

switch the company's focus from biotechnology to financial

services, which now accounts

principal shareholder in Nyckeln, has been forced to sell most of its assets to save

Beijer Capital Financial Services, the nucleus of Beijer Capital, was sold to the Finnish investment company Spontel for an estimated SKr150m. Better Capital also disposed of its 28 per cent voting stake in the Nordstrom & Thulin shipping company, and a 25 per cent stake in paper and invest-ment concern Munksjo Intres-sentar, and a majority of its stock portfolio amid a weak

market. Beijer's assets now largely consist of a 31 per cent holding in Nyckeln, in addition to its remaining stock portfolio. Beijer was placed on the Stockholm bourse's watchlist after trading resumed in its shares on Thursday, as was

Nyckeln. Nyckeln's problems come at a bad time for Mr Wall, who also must finance his leveraged buy-out last year of Reiter industries, the other half of his

Benk-affiliated finance companies, such as Skandinaviska Enskilda Banken's FinansSkandic and Handelsbanken's Svenska Finans, should emerge as the biggest winners from the crisis since investors are confident they enjoy firm backing. Independent finance companies will face tougher times as Standard & Poor downgrades their rating to "speculative investing" status and investors abandon risky commercial paper for safer

Bergesen advances 28%

By Karen Fossil

followed.

BERGESEN, Norway's leading bulk shipowner, lifted operat-ing profit, before depreciation. in the first eight months of this year to NKr653m (\$107m) from NKr510m last year.

Operating profit rose from NKr240m to NKr380m in the period. A substantial profit on the sale of shares and a halv-ing of net interest expenses contributed to an increase in pre-tax profits to NKr831m from NKr381m.

During the year the market value of Bergesen's vessels declined to NKr8.3bn from NKr9.2bm as a result of lower

dollar exchange rates and a 15 per cent fall in the value of dry cargo vessels.

Operating profit for shipping operations rose to NKr380m in the period, from NKr225m last year. "The conflict between Iraq and Kuwait has resulted in somewhat lower earnings for the nine crude oil tankers operating in the spot market ... tanker rates plummeted in August ... since the end of August, rates have climbed to about \$15,000 per day for [our] turbine tankers operating in the spot market," Bergesen explained.

Nedlloyd sees deficit for year

strengthen their capital base. A rescue package was

NEDLLOYD, the Dutch energy and transport company, took investors by surprise, changing a previously issued profit warning to a forecast of a loss for the group in 1990, AP-DJ

Nedlloyd did not specify how big a loss it expected. Yester-day its shares, which were suspended earlier in the day, fell Fi 6.9 to F1 37.

The company plans to cut its workforce in the Netherlands by 420, and reduce its workforce abroad.

Nedlloyd said the negative trends behind its profit warning in August had intensified.

Kone lifts pre-tax profits

By Enrique Tessieri in Heisinki

the lifts and crane-making group, reported an increase in its pre-tax prof-its during the first eight months of this year to FM306.1m (\$84.3m) from FM285.4m a year earlier.

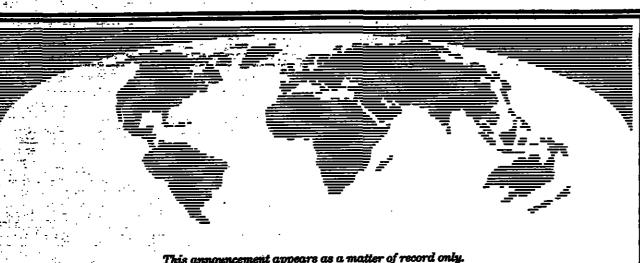
Operating income before depreciation also rose to FM505.9m from FM437.6m, Consolidated net sales grew by 17 per cent to FM4.77bn.

Kone, one of the few large Finnish companies to register an increase in pre-tax profits this year, estimates sales will rise to FM8bn in 1990 against FM7.09bn in 1989.

Pre-tax profits are also expected to exceed last year's FM526m.

The lifts division saw its eight-month sales risc 22.3 per cent to FM3.33bn, while cranes sales rose 7.5 per cent to

MacGregor-Navire, group's cargo access equip-ment arm, reported a 2.5 per cent rise in sales to FM268.8m. New orders for the group during the January-August period rose 14.4 per cent to FM4.76bn. Earnings per share for the eight months rose to FM36.70 from FM35.10.



This announcement appears as a matter of record only.

Curragh Resources Inc.

U.S. \$130,000,000 Senior Notes

The undersigned acted as agent in the private placement of this financing.

MORGAN STANLEY & CO.

October 10, 1990

SAINT-GOBAIN

NET INCOME OF FF2 BILLION FOR THE FIRST HALF YEAR AND AN INCREASE OF 16% IN CASH FLOW

Cash flow has increased by 16% over the first half of 1989. The key figures from the group's consolidated financial statements are as

(In millions of French Francs)	Fi	rst half
	1990	1989
Net Sales	34 082	33 209
Depreciation and provisions	(2 176)	(2 218)
Operating income	4 557	4 750
Interest expense, net	(614)	(672)
Reorganisation and other costs	(127)	(284)
Income before tax and before results		1
On the sale of non-current assets	4 044	3 9 1 6
Results on sale of non-current assets	(176)	95
Provision for income taxes	(1 447)	(1 576)
Net income from consolidated		1 ' '
companies	2 334	2 382
Net income	2 019	2 005
Resources from operations (cash flow)	4 577	3 960
Capital expenditure on plant	ì	1
and equipment	2 287	2 833
Investment acquisitions	2 285	3 386

Sales amount to FF 34,1 billion against FF 33,2 billion for the same period last year, an increase of 2.6%. On a comparable structure basis in French francs they are stable. They have been affected by the fall of over 10% in the average rate of the US dollar and the pound sterling against the French franc between the corresponding periods. By the short term effects of the collor plan in Brazil which should diminish during the second half and by the tightening of prices in some sectors. On the other hand they benefited from the good level of activity in the French and German markets.

The analysis of results by industrial activity shows a further progression for the containers and industrial ceramics divisions. The commutation of the aggregate performances of the insulation division, a slight decline in paper-wood, fibre-reinforcements and also in flat glass which had a particularly dynamic first half in 1989. Results have fallen in two divisions: building materials because of the importance of South America to the division and pipes which has been affected by the loss arising on the sale of the subsidiary Sadefa,

These results are after deduction of the depreciation charge of FF 1 971 million against FF 1 612 million at June 30, 1989 and the charge for provisions of FF 205 million compared to FF 606 million for the corresponding period last year. Dividend income amounts to FF 229 million against FF 123 million in the first half of 1989.

The review of results by geographical area shows a further increase in the results in France which now represents 41% of the cash flow and net income of the group. A significant increase in the results from other European countries, especially Germany, and a fall in results from North and South America.

Capital expenditure continued at a high level and is largely covered by cash flow, which represents 13,4% of sales against 11,9% at June

Investment acquisitions are less than in the first half of 1989. They include most of the acquisition of solaglas in the United Kingdom, The acquisition of Norton company is not included, as it took place in the second half of this year.

Net income is heavily affected by the sale of non-current assets which led to an exceptional loss of FF 176 million (against a profit of FF 95 million in the corresponding period last year) because of the negative impact of the disposal of Sadefa, a subsidiary of Pont-A-Mousson

Total net equity of the group has increased by FF 1,2 billion from FF 30,6 billion at December 31, 1989 to FF 31,3 billion at June 30. At the same time net debt has gone from FF 10 to FF 10,8 billion.

Compagnic de Saint-Gobain, the parent company, recorded a trading result of FF 690 million for the first half year compared to FF 468 million for the same period in 1989.

> Compagnie de Saint Gobain **Investor Relations Department** Tel(33) (1) 47 82 33 33

Interest Rate Change

AIB Bank announces that with effect from close of business on 5th October 1990 its Base Rate was reduced from 15% to 14% p.a.



ex UBB 1SA. Telephone (0895) 72222 nt Roed, Unbridge, Midd

EDUCATIONAL

BTN/HENLEY Reg. Reps Cut off date 1 Dec Old syllabus courses Tel: 0491 573598

PERSONAL

First Marathon **Securities Limited**

'Number One in Canada for Quality of Research'

Research comes first at First Marathon, earning us the coveted rank of Number One in Canada.

Our compact team leads the investment industry with 'exceptional research strengths' and an excellent reputation for innovative ideas and communication.

Quality research, together with strong trading and sales capabilities. That's how we go the distance for our clients.

GOING THE DISTANCE

ey Vice-President (071) 401-2055. Parls France Robert C.L. Charbonness V Teronio Canada: Dennis R. Wing: Vice-President and Director (416) 889-3707

INTERNATIONAL COMPANIES AND FINANCE

NEWS IN BRIEF Itoman counters 'speculator' tag

Date set for Mizrahi Bank bids

THE ISRAELI government will invite investors to bid next week for United Mizrahi Bank, the country's fourth largest banking group with total assets in 1989 of more than S7hn, Reuter reports from Tel Aviv. MI Holdings, the state company in charge of privatis-ing Israel's banks, said appli-cants must submit proposals by December 20

by December 20. But the Gulf crisis and fears of war have made it difficult to attract foreign investors. "The timing is so bad, it is killing us," MI Holdings said.

■ Bond Corporation International (BCIL), the Hong Kong investment group owned by the corporate empire of Mr Stanley Ho and formerly con-trolled by Bond Corporation of Anstralia, yesterday posted an 87 per cent fall in after-tax profit to HK\$260m (US\$33.7m) for the year to June 30 from HK\$1.940n a year earlier, AP-DJ reports from Hong

Kong.

Earnings per share also dropped by 87 per cent to 19.5 cents from HK\$1.45, while turncents from HK\$1.45, while turn-over jumped 34 per cent to HK\$1.89bn from HK\$1.41bn. The fall in earnings was due to the disposal of most of its main assets, including its interest in HK-TVB and the Bond Centre, a big local office complex.

Seiyu, a leading Japanese supermarket operator, yesterday unveiled a 12.6 per cent advance in unconsolidated pretax earnings for the first half to August 31 to Y6.21bn (\$45m) from Y5.52bn the year before, AP.D. Proceeds from Tokyo.

AP-DJ reports from Tokyo. Net profits surged 76.5 per cent to Y5.16bn or Y27.91 a share, from Y2.92bn or Y17.39. Seiyu said the gain in net profits resulted mostly from sales of fixed assets which boosted extraordinary gains by 285 per cent to Y5.85bm from Y1.52bm.

■ Jardine Strategic yesterday reported an unaudited net asset value of HK\$22.77 a share as at September 30, down from HK\$26.52 a month earlier, Reuter reports from Hong Kong.

Robert Thomson on a Japanese group's troubles in the property market The executives of Roman

& Co, the Japanese trad-ing house, have spent the last few days trying to convince the Japanese press that the company is indeed a trad-ing house and not, as it has ment policy. Itoman officials confirmed been portrayed, a real estate speculator with an embarrass-

ing exposure in an increasingly soft property market. Unfortunately for the Osakabased company, founded in 1883 as a fabric import shop, the problems and the need for explanations keep on surfacing, and it has become increasingly seen as a symbol of the real estate indulgences of cor-

porate Japan.

The company has been linked to the fall of Mr Ichiro Isoda, the Sumitomo Bank chairman who resigned for an unrelated reason — alleged illegal lending by a branch manager - but who has been criticised for his willingness to fund the real estate ambitions of itoman.

Itoman sees no connection. but the company has extensive links with Sumitomo Bank. Mr man's president, was a manag-ing director at the bank and is an old friend of Mr Isoda, while 13 of the company's 47 executives have worked at Sumi-

More embarrassing yesterday was the front page treat-ment given in the Japanese press to a letter purportedly written by Itoman staff to the Ministry of Finance banking bureau alleging that the com-pany had embellished profits with fancy accounting and complaining about manage-

that such a letter had been received by the ministry, but one commented: "I can't believe that Itoman employees would write a letter like that." He said that the company remained strong, had no prob-lems with oustanding debts, and expected profits this year to be on target.

But the company has just announced that it will reduce its real estate related loans and investments by Y356bn (\$2.6bn) to Y500hn by the end of the fiscal year next March. About Y50bn in condominiums and other properties will be sold off by the parent company, while property sales by, and the recovery of loans from, affili-ates will make up the remain-

Sumitomo Bank has also en told by the Ministry of Finance to examine its expo-

The trading house said yes-terday that loans from the bank alone totalled Y160bn, but could not give a figure for loans from Sumitomo affiliates. Itoman's consolidated borrowings total about Y1,300bn.

Much of the explaining in recent days has been done by Mr Yoshiski Kaneko, the manager of Itoman's public relations office, just back from a visit to San Diego, where he attended the ground-breaking ceremony for a luxury home development that will be, he boasts, "bigger than Beverly

Yet, Mr Kaneko was most determined to emphasise that lioman is first and foremost a trading company: "People are saying that we are speculators." We are not speculators. We are a trading house and 43 per cent of our business is still in tex-

It is the recent surge in real estate investments that has raised concerns, with the growing signs that Japan's boom is over and that a single a strong phonge, in prices is a strong possibility.

hen there are related

nen there are related concerns about company mas with heavy borrowings as interest rates rise.

Until a few weeks ago, the company was citing the large real extent month. To a a city of the content of real estate portfolio as a sign of the successful diversification-from textiles, which made up 90 per cent of the business when Mr Kawamura arrived from Sumitomo Bank in 1975 to overhaul a then troubled com-

Real estate investment began in about 1980, but, as Mr Kaneko explains, "it was not until 1985 that we started to invest in real estate on a large scale". In the year ended March 1990, sales in the "real

estate, leisure and others" category rose from Y84.1bn to Y138.1bn, a surge that accom-panied the boom in real estate prices, particularly in the

Osaka area.

Trade in fondstuffs accounted for about 22 per cant of sales last year at Y137.8hm, and the company has investments in Australian beed, a chain of 400 restaurants within Japan, and chicken processing facilities in China and Thai-

land, where yakitori, the kebab-like chicken sticks, are prepared for Japanese restau-The other significant tradits area is metals, machinery and chemicals, which comprises about 13 per cent of sales, and includes items such as industrial sewing machines, motorcycles and biotechnology, as well as wave-making pools and sunfan salous for resorts.

It is the development of resorts and golf clubs that has drawn attention to the com-pany. Golf club memberships, something of a barometer of Japanese real estate trends, have been declining in value this year, but Mr Kaneko for-sees no problem in selling large chunks of real estate in

the present conditions.
"We have no concerns. There is still a strong demand for resorts and other buildings. Anyway, when we bought these proparties, the prices were much less than they are now," he said.

Australia plans company crime clampdown

By Kevin Brown in Sydney

THE Australian government yesterday announced plans to improve co-operation between local and overseas regulatory authorities as part of a clamp-

down on corporate crime.
Mr Michael Duffy, the federal Attorney General, said the government would legislate to close a loophole preventing Australian corporate agencies from carrying out investiga-tions for on behalf of overseas

regulators.
Mr Duffy said co-operation between international agencies was essential because of the rapid internationalisation of corporate activity and securities markets. "Nowadays no country can hope to stamp out corporate malpractice without knowing about the offshore activities of those involved,"

Mr Duffy said.
Under existing law, the National Companies and Securities Commission, the corporate watchdog, and the Trade monitors market dominance, can only investigate suspected reaches of Australian law.

The proposed legislation will give both organisations the freedom to use their existing investigatory powers to inquire into suspected breaches of foreign corporate law by Austra-

lian companies. The government is also expected to announce later this week that it plans to broaden the definition of insider trading and increase penalties to include fines of up to A\$500,000 (\$416,000) and prison sentences

of up to five years.

By Philip Gawith in Johannesburg

CONSOLIDATED Murchison, the Anglovaal subsidiary which produces about 12 per cent of the world's antimony,

has announced measures to ensure its survival against

prices weakened by oversupply and discounting by Chinese

producers.
Drastic measures, revealed

by Mr Michael Hawarden,

chairman, have been forced on

the Eastern Transvaal mine which only had R3.9m (\$1.56m)

retained income - against R14.5m the previous year -available after providing for a 1989-90 deficit of R10.6m, with

the possibility of further operational losses. Since June the

mine has cut production by 25

per cent and relocated or retrenched 353 workers.

House of Representatives inquiry which concluded insider trading was widespread in Australia, with little risk of successful prosecutions.
The committee's key recom-

mendation was that convictions should be made easier to obtain by dropping the existing requirement for the prosecution to prove a connection between a person accused of insider trading and the com-pany which was the source of the information.

Under the law, an offence would be committed if the per-son using the information knew or reasonably ought to have known that it should not

The government's move to tighten the law follows wide-spread complaints from leading businessmen about the damage caused to Australia's international image by the activities of a small number of high pro-

freeze has been imposed and capital spending for the next two years will be limited to essential items. Johanneaburg Consolidated Investments

(JCI), which manages the mine, has agreed to defer fees due to it.

mony price and a month-long strike saw ConsMurch record a

R6.4m after-tax loss in the year

to June against a R10.2m profit. With R4.2m capital expenditure added to this, the

total deficit for the year was Ri0.6m.
Mr Hawarden warns any deterioration in the market

could require the mine be

The effects of a soft anti-

Stock Exchange to take a harder line with problem com-panies, and a debate is going on in the accountancy profession on ways of improving the development of accounting

However, the first big sten towards tougher regulation will come next year when the Australian Securities Commission (ASC), a federal organisation with strengthened powers and increased resources, will take over from the NCSC as

the main corporate watchdog. Mr Tony Hartnell, ASC chairman, said yesterday that millions of dollars of lost corporate money could have been saved if the tougher regulations now being introduced had been available to regula-

tors five years ago. Earlier this week, the ASC released draft legislation intended to increase the finan-cial accountability of company directors and improve the regulation of inter-company loans

mony separation process which could help keep the mine in production.

with the antimony price unlikely to improve materially in the short term, "the only hope of survival for the company is to increase gold recovered to the company is to increase gold recovered to the company is to increase gold recovered to the contract of the contract o

ery significantly and to pro-

duce a value-enhanced

antimony product". Gold is recovered as a by-product of

processing the antimony ore.

Mr Hawarden said technology, developed by JCI, could enhance gold recovery and pro-

duce crude antimony oxide from which the arsenic had

Success with the new pro-cess would enable the company

to realise higher prices for stockpiled residues.

been removed.

Mr Hawarden notes that

The decision is in line with The changing climate has ulation of intercompanthe recommendations of a also prompted the Australian and other transactions. Stock ConsMurch cuts costs to survive



Auction

Preferred

British Aerospace Capital Corp.

©ECC GROUP

ECC Group plc



Elf Aquitaine U.K. (Holdings) PLC

MEPC **MEPC Capital Corp. 11**

Official Airline Guides,

inc.

Corporation pic Managed two issues. The Rank Organisation

RATNERS GROUP Ratners Group plc

Redland Redland Preferred Stock PLC

> **Redland PLC** Managed two issues.

SmithKline Beecham SmithKline Beecham Americas Inc.

THORN EMI America Finance Inc.

Goldman Sachs is preferred in managing issues of Auction Preferred Stock in the U.S. by U.K. companies. We've managed or co-managed 13 of the 16 issues to date, totaling over U.S. \$2.7 billion-more than any other firm.



nine has cut production by 25 placed on a care-and-mainte-ner cent and relocated or nance basis. This would stop etrenched 353 workers.

A general salary or wage trying to find an arsenic-anti-

A great deal. Because virtually everything that affects the world affects the agricultural markets. Weather. Politics. Economic events.

Savvy risk managers follow the action with Chicago Board of Trade

contract. CBOT agricultural futures and options. For a better bottom line from the ground up.

Vhere opportunity exists

with every grain and oilseed

For information on our new ag agricultural futures and options. Where the liquidity of established contracts combines with the excitement of ever-changing markets.

market strategy books, call 1-800-THE-CBOT, ext. 3300, or 1-312-435-3558, ext. 3300.

Chicago Board of Trade © 1990, Chicago Bozzi di Thade

London New York Tokyo Hong Kong Montreal Singapore Sydney Toronto Zurich

INTERNATIONAL CAPITAL MARKETS

UK bonds decline sharply on weakness in sterling

By Simon London in London and Karen Zagor in New York

UK GOVERNMENT bonds fell back sharply at the longer end of the yield curve yesterday, against the hackground of a weak pound and a re-assertion of underlying economic

uncertainty.
The benchmark 11% per cent gilt, maturing in 2003/07, closed the day down of point at 1022 for a yield of 11.41 per cent. However, the shorter end of the market continued to outperform the long end, with some overseas buying reported. This suggests that the anticipated flattening of the yield curve is beginning to

On the foreign exchange markets, sterling fell back in overnight dealing, at one point falling below the psychologically important DM3.00 level. in yesterday's trading some of the losses were retrieved and sterling closed at around DM3.005, down two pfennigs from Monday's close.

Market sentiment on the underlying economic position also remains bearish before retail price index figures for September, which are announced on Friday and are

GOVERNMENT BONDS

expected to be poor. Retail sales figures announced next Monday may sound a more positive note, but analysts suggest that yields could soon ling's entry into the exchange rate mechanism was announced on Friday.

State Eschange to a

THE KNOWN

53 232 Q

and the most of the

arrier the fact

THE REAL OF STREET

real matter of

An Taking Security

THE OWNER OF THE PARTY OF THE P

ATT PETERS PER That ever from the gr The company

V- Year Band

Carrier and page

್ ಚ dellasola

ो अस्य व्यक्तिक

served if the legics

THE PERSON NAMED IN author

in the years ago

farter the set & telinased draft legs

ಿಸಿಗೆ ಅವನಾಟಿ

and the contraction of the contr

; to survi

in the design that

No control se

e in the animal And to Table 2

OR ME

E Charles

TARRET

The second secon

and to the

THE REAL PROPERTY OF THE PARTY OF THE PARTY

71.04.2

· lare:

THERE was general relief in the German government bund market that yesterday's auc-tion of new 9 per cent 10-year federal paper was well

The cash market was steady, The cash market was steady, with the benchmark 8½ per cent 10-year bund closing at 96.25 for a yield of 9.09 per cent. In the futures market hedging of holdings of new paper caused a small sell-off, with the key December futures contract closing at 80.89, against 81.30 on Monday.

The Bundesbank accepted offers for DM4.27hm of new

offers for DM4.27bn of new paper at an average yield of 9.01 per cent, adding to the DM3hn issued on Monday through a consortium of banks. Together with DM727m of paper retained by the Bundes-

CXXE 9 14 96 CREDIT FUNCIER 9 1/2 99 DENMARK 0 98 DENMARK 8 14 94 ESCS 8 14 96 ESC 7 14 93 ERS 7 34 96

XERIC CORP 8 8,38 %

DELITSCHE MARK STRABBITS
ASIAN DEV BAINKS 94
AUSTRA 6 98
CREDIT FORMER 6 3,44 99
DEUTSCHE BIK FIN 5 3,89 %
DEB 6 1,89 %
DEB 6 1,89 %
DEB 6 1,80 %
DEB 6 1,80 %
DE 7,80 95
DE 7,8

ASSAN DEV BARK 6 16
AUSTRIA 4 50 90
CDUNCIL EUROPE 4 3,44 98
EEC. 3 1,2 00
EES. 3 14 93
FINLAND 5 18 95
EER FAL WOTDES 7 1,12 95
JAPAR DEV SK 5 1,12 94
MOUNT ES FINANCE 5 3,44 94
MEW ZEAL AND 4 7,16 99
GUEBEE RYPOR 5 00
SKARDINAVISKA EKSK 6 1,12 95
WORLD BARK 5 03

INCENT FUNDERS 3 JA 99
COMMARK 7 5
EIR 458 94
EIR 458 94
HITER AMER OCK 7 1/4-00
TALY 5 3/4 92
KAKSA ELEE PWR 458 94
MERMAY 5 1,8 95
MERMAY 5 1,8 95
WORLD BANK 6 3/4 00

WORLD BANK 503..... WORLD DANK 7 1/492....

YEN STRAIGHTS

BENCHMARK GOVERNMENT BONDS

		Сопрод	Red Date	Price	Change	Yield	Week ago	Month ago
UK GÆTS		13,500 9,000 9,000	09/92 03/00 10/08	102-28 88-17 84-28	-10/32 -21/32 -28/32	11.79 11.36 10.93	12.52 11.75 11.11	12.58 11.87 11.25
US TREA	SURY *	8.750 8.750	05/00 05/20	99-25 98-05	-23/32 -40/32	8.78 8.93	8.79 8.83	8.85 8.98
JAPAN	No 119 No 129	4.800 6.400	6/99 03/00	83.0720 92.5352	-0.273 -0.201	8.12 7.77	8.24 7.82	8.26 7.91
GERMAN	γ	8.600	08/00	98.3500	-0.050	9.07	9.00	8.96
FRANCE	BTAN	9.000 8.500	11/95 03/00	95.0168 88.3800	+0,003 -0,170	10.29 10,48	10.31 10.47	10.39 10,41
CANADA	-	10.500	Q7/00	95.4000	-0,625	11,28	11.04	10.81
NETHERL	ANDS	9.000	07/00	99.6800	-0.240	9.21	9.23	9.12
AUSTRAL	IA .	13.000	07/00	97.6436	+0.000	13,43	13.50	13.50

bank for market regulation, this means that the governbut the Bank of Japan does not ment raised its target of too far. DM8bn from the issue.

In August, the Bundesbank rejected all bids in the auction of 8% per cent Unity Fund paper. Analysis suggest that the higher coupon on this lat-est federal issue was sufficient to attract investors into the

However, the government has a funding requirement of around DM25bn for the remain-der of the year. Analysts suggest that yields will have to rise further for this target to be achieved. Another two longer maturity federal issues are expected before the year end, with the rest of the funds raised through five year bonds

and short-term paper.
Yields will also rise, they say, as investors switch funds from the bund market and into French government and Dutch government paper, where yields are far higher than is justified on the basis of eco-nomic fundamentals.

THE RECENT bullish sentiment in Japanese government bonds eased slightly as the monetary authorities intervened to prevent further strengthening of the yen against the dollar. The benchmark No 119 issue closed on a yield of 8.055 per cent, com-pared with 8.020 at Monday's

The dollar weakened further against the yen overnight, breaking through the 130 bar-nier before the Bank of Japan intervened to stabilise the situation. A strong yen/dollar exchange rate is thought to favour the Japanese economy

FT/AIBD INTERNATIONAL BOND SERVICE

THEM STRAIGHTS

THEM STRAIGHTS

COUNTS, ERRORE 794 LPT

Q.05 KEEDICTODE? 795 LPT

Q.06 KEEDICTODE? 795 LPT

Q.07 WIGED BANK S 14 FF

Q.08 BANK S 14 FF

Q.09 COUNTS F FROW 10 12 FF

Q.09 COUNTS F FROW 10 12 FF

Q.09 COUNTS F FF

Q.09 COUNTS F FF

Q.09 COUNTS F FF

Q.09 SWEDON 12 FF

Q.09 COUNTS F FF

Q.09 BANK S 14 FF

Q.09 COUNTS F FF

Q

FLOATING BATE NOTES
ASSEY MATIONAL LILEOUS
ALBERTA, PROVINCE LITS 93
ALLIANCE & LEKS 9, 68 94
ALLIANCE MATION PROPERTY 99
BETTAL 102
BETTAL 103
BETTAL 103
BETTAL 104
BETTAL

CONVENTIBLE BONDS
ARTYL GROUP 4 1/2 02 6
ASDA-HF1 4 3/4 02 6
BURTON GROUP 4 3/4 01 6
EASTMAN KODAK 5 3/8 01
EASTMAN KODAK 5 3/8 01
GOLD KULLOKNIEF 7 1/2 00
GOUDYEAR TIRE 6 7/8 03
EAAC KWO 6 1/4 02 E
GRAND MET 6 1/4 02 E
HAWLEY 6 02 PROF
HILSDOWN 4 1/2 02 E
INTL PAPER 5 3/4 02 E
INDOW EAM 5 3/4 04 E
INDOW EAM 5 3/

Signatura in the state of the s

makes a further rise in the dis-count rate unlikely and dissipates the inflation impact of higher dollar oil prices on the domestic economy. Both fac-tors are behind positive market

EUS Treasuries moved broadly lower yesterday morning as higher oil prices, continued weakness in the dollar and the US budget fiasco kept buyers out of the bond market.

At mid-session, the bench-mark 30-year bond bad dropped 1% point to 988, yielding 8.92 per cent. Losses were more moderate at the short end of the yield curve, where the two
year note was down in point for
a yield of 7.9 per cent.
The bond market remained

obsessed with the budget machinations in Washington, and sentiment was decidedly bearish as last week's opti-mism about the prospects of an acceptable budget accord were replaced by fears that any likely compromise would not be sufficient to redress the

huge deficit problem.
Since an easing of monetary policy hinges on a "credible" budget package, traders were concerned that the Fed will not The Federal Reserve

arranged overnight system repurchase agreements when Fed Funds were trading at 8% per cent. The move was widely expected.

Higher oil prices dealt a further blow to Treasuries. At midday November crude was \$1.71 higher at \$40.66.

878-100.66 99.665 99.665 99.665 99.665 99.669 99.66

8,5000 8,8125 8,0625 8,1625 8,4873 8,5000 8,5000 8,2500 8,1875

Poor reply broker issue

SINGAPORE stockbroking firm Kay Hian James Capel's public issue of 83.18m shares - 25 per cent of the company - has been 19.5 per cent sub-

Singapore. The company, owned 49 per cent by James Capel Group, a unit of Hong Kong and Shang-

Kay Hian is the second local company seeking listing on the main board to receive such a poor response from the pub-he in the past decade. In 1981, an issue by Van Der Horst received 35 per cent subscrip-

• The S\$60m private placement for Wing Tai Holdings, a garment manufacturer and property group, has been abandoned by its underwriter Smith New Court, the UK stockbroker. Wing Tai's share price has fallen below the \$\$2.39 placing price.

The shares were being issued to pay for the purchase of two US-based clothing wholesale and buying compa-

Correction

BANCO Bilbao Vizcaya has been quoted on the London Stock Exchange since 1988. It is thus not seeking a London listing, as was suggested yesterday.

Canadian bank issue fails to woo investors

By Bernard Simon

INVESTORS appear to have given a cold shoulder to a National Bank of Canada rights issue designed to bolster the bank's capital after big writedowns on exposure to Campeau Corp, the embattled real estate and retailing

With the C\$95.5m issue due to close late yesterday after noon, the Montreal-based bank said that only a small propor-tion of the issue had been sub-scribed by yesterday morning. National's shares were trading at C\$7.88 on the Toronto stock exchange yesterday, compared with the offer price of C\$8, and the bank was reconciling itself to falling well short of the C\$95.5m target.
A National official said yes

terday that failure to attract the full amount would not create a problem for the bank. Even allowing for the write-downs on Campeau loans, the bank's total capital ratio is above the 7.3 per cent target due to be reached by the end of this year under guidelines set by the superintendent of financial institutions.

National, with assets of C\$36.9bn, said last month that it was raising its loan loss provisions by C\$80m to cover a loan made to Campeau Corp founder Robert Campeau.

Half the extra provision was accounted for at the end of the third quarter, pushing National's earnings down to C\$22m from C\$65.5m a year earlier. The other C\$40m will be reflected in the fourth-quarter

National has set aside an additional C\$20m to cover other loan losses stemming from the deteriorating North American economy. The bank's shares were trad-

ing at C\$8.63 when the rights issue was announced last month. The present share mice of C\$7.88 is less than half the peak of C\$15.25 reached in the past year. The office of the superinten-

dent of financial institutions (OSFI), which regulates Cana-dian banks, sent a team of senior retired bankers to review National's assets in the wake of the Campeau prob-

According to Mr Michael Mackenzie, the superintendent, "we're comfortable with its portfolio".

 Ehrlich Bober, the investment banking and bro-ker/dealer unit of Ehrlich Bober Financial, is to cease operations due to continued losses and the negative impact of tax reform on the municipal reports from New York.

The company said resources were more than adequate fo fulfil open securities commit-

to Singapore

scribed, Reuter reports from

hai Banking Corp, said it received applications for a total of 16.26m shares, includ-ing 8.29m shares subscribed for by the staff.

The Kay Hian issue was designed to raise about \$\$36m (US\$21m) to finance the combany's development of stock-broking in the Singapore area. Share issues by brokers Kim Eng HoLdings and G.K. Goh, listed earlier this year, were subscribed 784 times and 108 times respectively. Since July, however, the Singapore stock market has fallen by more than 30 per cent.

Spanish bank



	First	Half ·	Year	
	1990	1989	1989	
Net sales (in FF millions)	6,105	10,470	19,404	
Net income (in FF millions)	1,539	921	705	
Net earnings per share (in FF)	243.34	141	108.52	

Net sales for the first half of 1990 amounted to FF 6,105 million, down 41.7% from the figure for the same 1989 period. This decline is a result of Chargeurs' withdrawal from the Air Transport sector combined with the lower sales generated by the Textile sector. Net income amounted to FF 1,539 million, an increase of 67.1%, and included net capital gains of FF 1,545 million on the sale of 54.6% of the capital of UTA.



COMMERZBANK SE

SUBSCRIPTION OFFER FOR PROFIT SHARING **CERTIFICATES WITH CONVERSION RIGHTS**

By virtue of the authority conferred upon it by the Annual General Meeting of the Company held on 29th May, 1988 the Board of Management has decided to issue DM.500,000,000 nominal Profit-Sharing Certificates ("Convertible Certificate") carrying rights of conversion from 1991 to 1988 into shares of Commerzbank AG which are entitled to distribution as from 1st November, 1990 (La. one shoth for the financial year 1990). The Convertible Certificates are being offered at par by way of rights to the Company's shareholders on the basis of:

One DM.200 nominal Convertible Certificate for every eleven shares of DM.50 nominal held. The Convertible Certificates are being offered on the terms of the Company's announcement dated October, 1990. Copies of the announcement with an English translation, are available on request

It is not intended to seek quotation for the Convertible Certificates on The Stock Exchange, London, however, the subscription rights will be traded under Rule 535.4 during the period 18th October, 1990 to 25th October, 1990 inclusive.

PROCEDURE IN THE UNITED KINGDOM

Holders in the United Kingdom wishing to take up rights must

Bearer Share Certificates - Coupon No. 51 and apply during the subscription period 18th October, 1990 to 29th October, 1990 inclusive, at the office of the London Subscription Agents-

S.G. Warburg & Co. Ltd. Paying Agency, 2 Finsbury Avenue, London EC2M 2PA

between 10.00s.m. and 3.00p.m. where lodgement forms are obtain-

Holders of London Deposit Certificates wishing to take up rights must lodge their certificates for merking Square No. 14 no later than 3.00p.m. 24th October, 1990.

Payment must be made in full on application. Temporary ceipts will be issued. Holders wishing to make payment in Starling should agree the plicable rate of exchange with the London Subscription Agent.

Holders of rights entitlements may instruct the London Sub-scription Agent to buy or sell rights, on their behalf to round their entitlements but in order to do so their forms must be lodged with S.G. Warburg & Co. Ltd. by 3.00p.m. 24th October, 1880. Subscribers will be advised at a later date when the Convertible Certificates are available to be exchanged for Temporary Receipts.

S.G. Warburg & Co. Ltd. London Subscription Agent and Depositary

10th October, 1990

US\$ 30,000,000 Guaranteed Floating Rate Notes due 1995 Guaranteed by **GPA Group plc**

GPA Investments B.V.

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the interest period from October 10, 1990 to April 10, 1991 the Notes will carry an interest rate of 8.6375 % per annum. The Interest amount payable on the relevant interest payment date, April 10, 1991 will be US\$ 4,366.74 per Note of US\$ 100,000 denomination.



The Agent Bank KREDILTBANK S.A. LUXEMBOURGEOISE

ABBEY GLOBAL INVESTMENT FUND

Registered Office: Centre Mercure, 7th Picor 41 Avenue de la Gare L-1611 Luxembourg R C Luxembourg B 26141

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

An Annual General Meeting of the Shareholders of Abbey Global Investment Fund will be held at Centre Mercure, 7th Floor, 41 Avenue de la Gare, L-1611 Lucembourg at 11am on 19 October 1990 for the purpose of considering and voting upon the following matters.

Agenda of the Annual General Meeting of shareholders:-Submittal of the Reports of the Board of Directors and of the Statutory Auditor for the year ending 30 June 1990.

Approval of the Statement of Net Assets as at 30 June 1990 and Statement of Operations for the year ending 30 June 1990.

To approve distributions sufficient to maintain the Funds UK Distributor Status for the year ended 30 June 1990, and, in the cases of the following sub-funds to secure the Funds Distributor Status for each of the years ended 30 June 1988 and 1989:

International Income and Growth Fund Pacific Growth Fund UK Growth Fund

4) Grant Discharge to the Board of Directors and to the Statutory Auditor for the performance of their duties for the year ended 30 June 1990.

5) Ratify the co-optation as Director of Mr C M Wiscarson.

Se-ejection of the present Directors. 7) Re-election of the Statutory Auditor.

8 Ratify the payment of Directors fees for the year ending 30 June 1990.

<u>Young.</u>
The Resolutions may be passed without a quorum, by a simple majority of the votes cust thereon at the Meeting.

Voting Arrangements:
In order to vote at the Meeting:
the holders of bearer shares must deposit their shares not later than 16
October 1990, either at the registered office of the Fund, or with any bank
or financial institution acceptable to the Fund, and the relative Deposit
Escalpts (which may be obtained from the registered office of the Fund)
must be forwarded to the registered office of the Fund to arrive not later
than 16 October 1990. The shares so deposited will remain blocked until
the day after the Meeting or any adjournment thereof.

The holders of registered shares need not deposit their certificates but can be passent in person or represented by a duly appointed prany.

Shareholders who cannot attend the meeting in person are invited to send a duly completed and signed proxy form to the registered office to arrive not later than 16 October 1990.

Proxy forms will be sent to registered shareholders with a copy of this Notice and can also be obtained from the registered office.

The Board of Directors 26 September

U.S. \$200,000,000 Hydro-Québec

Floating Rate Notes, Series FV, Due May 2005

Interest Period

8th May 1990 8th November 1990

Interest Amount per U.S. \$10,000 Note due 8th November 1990

U.S. \$425.98

Credit Suisse First Boston Limited Agent Bank

day.

PLOATING BATE MOTES: Describinated in dollars unless otherwise indicated. Coupon shown is minimum. Spread Margin above stremonth delicated rate (Harve-month Selective speen rate) for US dollars. Copy—The current coupon.

CONVENTIBLE SOURCE Describinated in dollars unless otherwise indicated. Cnv. price—Nominal emount of bond per share expressed in currency of share at conversion rate than at lesse. Prem —Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares. The Financial Times Lis., 1990. Reproduction in whole or in part in any form not permitted without written
 Data smodled by Accordation of Inhernational Bond Dealers.

The state of the s Colombia Col

Section of the second sections

IR

INTERNATIONAL CAPITAL MARKETS

Citicorp credit card deal undermined by weak dollar

ATTEMPTS to sell more than \$1bn of Eurodollar bonds foundered yesterday, as investors shun dollar securities. Secondary market Eurobond spreads have widened as much as 30 basis pionts during the last few weeks, eroding deal-

ers' confidence in their ability to assess value. Against this background, the pricing of two new Eurodollar bonds was bound to be tricky. In the event, the concept of consensus pricing, in an envi-ronment where volatility virtu-

ally precludes agreement, proved almost unworkable. Citicorp's \$845m offering of bonds backed by credit card receivables was battered by conflicting opinions, as well as by a falling US Treasury

The price on the bonds was announced on Monday as 85 basis points to 90 basis points above the five-year US Trea-sury, but this proved unaccept-able to most underwriters. The deal was structured as a European retail investors, as

both Citicorp and UBS Phillips & Drew felt there was some demand for bearer bonds.
Other houses failed to identify such an investor base, and perception of the deal was not helped by the launch of a credit card-backed deal for Sears in the US market at a Yesterday, the indicated spread of the Citicorp deal was moved out by 10 basis points, before the deal was finally priced to yield 99 basis points above the five-year Treasury. Even at this level, underwrit-

INTERNATIONAL

ers found few takers, and lead manager UBS Phillips & Drew was said to have been left with two thirds of the deal. Further, several underwrit-

ers were said to have been allotted no bonds. UBS declined to comment on these aspects of the offering.

Three week's ago, ECCT's 9
per cent bonds due 1994 were
quoted at 34 basis points over

the curve. This widened to a 62 basis points spread on Monday and jumped 10 more basis points yesterday, when a bid could be found.

"The reaction to the wider spread on the new deal was simply to widen the spread on outstanding paper further," one dealer said.

As Mr Charles Wainhouse, vice president of Citicorp Credit Services, observed, "it is not obvious where value is, for us, underwriters or investors". Toyota Motor Finance's

\$230m four-year deal, launched on Tuesday, also fell victim to overall market weakness, but generally was seen to be better supported than the ECCT deal. The launch spread of 60.7

basis points widened to 66 basis points as spreads gapped wider, even though the financing, in floating rate terms, represents a level of Libor flat for a triple-A rated borrower.

Three weeks ago. Toyota Motor Credit was able to bring a three-year deal at 39 basis points over the curve.

Elsewhere, new Japanese equity-linked deals again met adequate demand, buoyed by the value they offer relative warrants in the secondary mar-ket, which are substantially out of the money.

 Westpac Banking of Austra-lia is to absorb its investmentbanking unit, Bill Acceptance Corp. Westpac said that "in the current deregulated market, it is no longer appropriate to operate a separate merchant bank". Bill Acceptance has assets of A\$1.2bn, shareholders' funds of A\$56m and is profitable, Westpac said.
"The move will complete the

integration with the bank of all Westpac group merchant bank-ing operations in Australia and New Zealand." Westpac attempted to sell Bill Accep-tance, but could not find a

NEW INTERNATIONAL BOND ISSUES

Serrower	Amount m.	Совров %	Price	Meturity	Peee	Book runner
US DOLLARS	845	61 -		1995		LIDO OLUMA & Dans
Euro Cr.Card Tat.1990-2(g) ◆		9 ¹ 2	99.60		0.35	UBS Phillips & Draw
Toyota Motor Fin.NV(a)◆	230	. 9	101.425	1994	15	Nomura Int.
Citizen Watch Co.(a)®	200	(5½)	100	1994	24/12	
Bando Chemical Ind.(a)	100	(5½)	100	1994	24/12	
Mizuno Corp(a)4	100	(5½)	100	1994	24/12	
I'finance Cr.Nat.(h) •	38	(h)	101.20	1996	1%/1%	LTCB Int.
Shinko Electric(b)4	110	`5	100	1894	24/12	Nomura Int.
D-MARKS						
Unitika(a)•	75	(5¾)	106	1994	24/16	Daiwa Europe GmbH
Mizuno Corp(s)#	70	(5¾)	100	1994	24/12	
SWISS FRANCS					_	
Furusato ind.(c)++5	70	5 ¹ 2	100	1995	-	Bank Leu
NJK Corp(d) ***	50	512	100	1996	-	Handelsbank Natwest
Minato Electronics(s) ***	40	šū	100	1995	-	Yamaichi Bk (Switz)
Hakone Tozan R'way(a)★★◆	10	8	1005g	1997	_	Dai-Ichi Kansyo Bk
nakole luzzii n wayta/ka			100-8	1691		Darical Resigio DK
Austrian Schillings						
Eurofima(f) 🔷	1bn	8%	100¾	2000	2.15	Creditanstalt-Bkverein

***Private placement. \$Convertible. †Floating rate note. \$\text{With equity warrants.} \text{\$\text{\$\text{\$Final terms.}}\$ a) Non-callable. b) Coupon was indicated at \$5\frac{1}{2}\text{\$\text{\$\text{\$\$}\text{\$\text{\$}\text{\$}\text{\$}\text{\$\text{\$}\text{\$}\text{\$}\text{\$}\text{\$\text{\$}\text

on domestic bond issues

By Stefan Wagstyl in Tokyo

THE JAPANESE Ministry of Finance is planning to relax rules on domestic corporate bond issues, in order to increase companies' access to the capital markets.

Japanese industry will welcome the changes, which will most likely come into effect next month, since they would coincide with a tightening squeeze on credit in Japan, particularly bank loans. However, the ministry's move is motivated by its long-stand-ing policy of liberalising finan-cial markets and not by any short-term plan to increase sources of funds for industry.

However, the rule changes are not in themselves expected to induce companies which issue bonds in the London-based Euromarkets to switch to Tokyo since some cumbersome restrictions will remain in place, notably the requirement for a company to hire both a securities company and a bank to handle an issue. The proposals mean that the number of companies able to

issue bonds and warrant bonds without pledging collateral than 1.000.

The plan is to widen greatly the use of credit ratings and abolish many of the present requirements to meet ministry guidelines on the size of net assets and other criteria. This will shift the ours of assessing credit risk from the ministry to investors, as already hap-pens in international markets,

The ministry plans to allow companies with a credit rating of A or better to issue bonds and warrant bonds without collateral. As for convertible issues, the ministry will allow companies with a BBB rating or better to make them, as long as their assets exceed

• In the nine months to the end of September, a total of 560 Japanese companies were involved in mergers and acquisitions, according to a study by Yamaichi Securities. The number of transactions was 15.9 per cent up on 1989. The value of officially announced transactions in the nine

Japan plans to ease rules Regulators discuss financial giants By Katharine Campbell in Frankfurt

Today's discussion will focus

on the supervisory consequences of the growth of finan-

BANKING regulators, gathering today in Frankfurt for their biennial two-day meeting, will for the first time formally address the supervision of financial conglomer-

The definitions of "banks", "insurance companies" and other financial service entities have become increasingly anachronistic as institutions expand their product range and stray into each other's ter-

The sixth International Conference of Banking Supervi-sors, which this year attracts 260 delegates from 100 countries, is designed to air issues arising from the work of the Basle committee of international banking supervisors. The meeting two years ago in Tokyo was largely concerned

quacy standards By Deborah Hargreaves THE SALE of shares in the

November.

are expected to be offered under 144a as the US tranche of electricity shares to be sold internationally.

This is substantially higher

equity offerings made under 144a where the largest offer has not breached the \$200m

tionally sold about a 20 per cent stake in UK privatisation deals to foreign investors as a

view that the dollar is substan-tially undervalued against ster-ling in the wake of ERM entry,

is issuing 250,000 put warrants

on the pound, writes Tracy

Sterling is approaching the

\$2 mark, a level it has not reached since early in 1981,

"and at that period, the pound

find it increasingly hard to reg-ulate effectively firms with complicated and diffuse intercial conglomerates, in which banking, securities operations, national structures. Also, there insurance and other activities is the danger that problems in one area will spill over and such as leasing are gathered under one roof.

The impetus for this trend stems partly from deregulainfect the entire group.

Mr Johann Wilhelm Gaddum, director of the Bundes bank, in charge of supervisory tion, as the barriers between

institutions. The authorities

issues, has suggested that one possible approach was to develop the English model of banking and securities business fall, notably in the US and In countries operating under the universal banking system, which include most of those in functional regulation according to the main thrust of each institution's business. But con-crete proposals are unlikely tocontinental Europe, changing savings patterns have forced emerge from this week's talks.
A second topic, on tomor-row's agenda, addresses plans institutions to broaden their product range to stay competitive, leading banks into insur-ance and vice versa. The regulators believe that for an extension of the "Cooke

committee" capital adequacy guidelines to market (as well as credit) risk. The Basle group has been working for more than a year on ways of measur-

ing interest rate, foreign exchange and equity-related

Mr Gaddum noted that "considerable progress" had been made, and that the results would be discussed among the participants. There is conflict between the proponents of the universal banking system (notably the Germans) who fear they will lose if bank guidelines are more stringent than those for brokerage houses, and advocates of the Anglo Saxon model, in which banking and securities func-tions are still largely separate. The Basle committee is hop-

ing to thrash out a supervisory structure that harmonises banking and securities regulations, and is including the International Organisation of Securities Commissions in talks regarding modes of

US target for electricity sell-off

the risks incurred by such con-

Japan.

UK's 12 electricity distribution companies will be made as the largest offering yet under the US's newly-liberalised private placement - the so-called 144a market - as part of the government's privatisation of the electricity industry in late

Some \$600m-\$1bn of shares

than any of the previous 19

The government has tradi-

ted to be sold as a package of 12 companies to foreign institutional investors in the same way as the water companies were sold as a group last year.
Goldman Sachs is understood to be leading the placement of shares in the US market where the securities will be offered only to institutional investors. For this reason, the 144a route is cheaper and easier than a full listing on the

At the same time, Nomura, which is expected to lead the Japanese placement of electric-

Goldman Sachs issues sterling warrants

was not quite as overvalued as now", a Goldman Sachs official

observed. On a purchasing power parity basis, the dollar

is undervalued by 30 per cent, he added.

was timed to catch the wave of

interest in sterling following

the pound's entry to the

nge rate mechanism.

The launch of the warrants

a sell-off.

If there is a surge of demand for shares from UK investors, the government has the right to claw back part of the overseas allocation.

Electricity shares are expected by he sold as a parkege of the Public Offering Without a Listing (POWL) which was ploneered last year for the offering of water shares.

The POWL route requires a company to be listed only on the back as a parkege of the public Offering Without a Listing (POWL) which was ploneered last year for the offering of water shares.

that the company's earnings per share must be 20 per cent of the shares' nominal value prior to the offering. This removes many of the onerous requirements for a listing on the Tokyo Stock Exchange.
The allocation of electricity

shares to overseas markets is usually set several weeks before the pricing of the shares, which is due on November 21. An announcement on underwriting groups for the other overseas share placements is due later this week.

Each warrant costs \$54, and

gives investors the right to buy

\$1,000 at a strike price of \$1.90 to the pound.

The American style warrants

can be exercised at any time

during their one-year

The deal was aimed mainly at continental European and also at Japanese investors.

Moody's may downgrade **CSFB** debt

By Stephen Fidler, Euromarkets Correspondent

MOODY'S Investors Service, the US rating agency, said yes-terday it was considering a fun-ther downgrading of the debt ratings of CS First Boston.

The move, which will cover about \$550m of debt, follows

the agency's downgrading of the company's bonds in October last year.

Moody's said its review will focus on CS First Boston's ability to achieve strong core profitability and reduce risk-adjusted leverage.

Under review is CS First Boston's A-3 subordinated debt in the US, international and Swiss markets and its Prime i the agency's downgrading of

commercial paper rating.

It may also downgrade the senior and subordinated Swiss debt of Financière Credit Suisse First Boston, the group holding company, which car-ries an A-2 rating and its A-3 rated junior subordinated per-petual notes.

Moody's October downgrade cited the risks the firms had assumed in the US merchant banking business, where secu-rities houses make short-term loans to finance acquisitions.

direction and business was

A total of 43.492 contracts changed hands, compared with 72.060 in the previous session.

In the FT-SE 100 index options activity was weighted towards puts. The FT-SE options turned over 11,879 lots, just more than

CALLS PUTS. Dec Mar Jap Dec Mar Jap

half that of the previous se

LONDON MARKET STATISTICS

Corrigan.

FT-ACTUARIES SHARE INDICES

^o The Financial Times Ltd 1990. Compiled by the Financial Times Ltd in conjunction with the institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS		Tuesd	ay Oct	ober 9	1990	_	Mga Oct 8	Fri Oct 5	Titu Oct. 4	Year ago (approx)
Fig	& SUB-SECTIONS sures in parentheses show number of stocks per section	Index No.	Day's Change	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xt adj. 1990 to date	ladex No.	Index No.	Index No.	ladex No.
긔	CAP(TAL GOODS (196)	717.08	4.0	15.54	6.63	7.87	31.33	746.98	720.99	699.22	896.42
2	Building Materials (26)	987.75	-3.1	14.85	6.17	8.29	39.70	1019.24	945.95	892.67	1039.%
3(Contracting, Construction (35)	1167.14	-4.0	17.99	6.83	7.26	56.07	1216.18		1049.57	1435.64
- 41	Electricals (10)	1934.71	-4.6	14.56	6.96	8.40	84.91	2028.21	1948.73		2591.09
5	Engineering-Aerospace (8)	41242	-3.9 -4.5	10.63 16.31	5.42 5.85	12.86 7.37	56.74 15.17	1643,94 431,92	1614.48 432.97	1567.95 422.65	2001.89 0.00
6	Engineering-Aerospace (o)	374.30	-24	15.92	6.90	7.55	16.85	385.67	371.91	368.19	0.00
á	Metals and Metal Forming (8)	410.36	-3.6	27.78	8.14	4.38	17.02	425.51	417.72	405.06	
9	Motors (13)	271 17	-5.4	18.85	8.75	6.18	14.41	286.72	287.84	277.96	356.74
	Other industrial Materials (23)	1144.84	-5.1	14.43	6.99	8.01	60.14	1229.76		1191.87	1671.25
27	こうはんいいせつ こうりいけ ハフム	1200 42	-2.9	10.31	4.29	11.99	30.57	1235.93		116013	
53	Brewers and Distillers (22) Food Manufacturing (18) Food Retailing (17)	1503.29	-2.5	10.41	3.93	11.64	33.61	1542.40		1433.79	
25	Food Manufacturing (18)	1011.39	-3.1	11.48	4.83	10.73	28.13	1044.19		1006.61	1130.33
26	Food Retailing (17)	2380 22	-1.8	10.03	3.51	12.70	50.82	2424.52		2304.18	2332.78
27	Health and Household (16)	2395.16	-35	7.41	311	16.01	48.83	2481.45		23%58	2460.34
29	Health and Household (16) Leisure (32)	1211.34	-2.7	12.37	5.20	9,78	39.79	1244.85	1185.45	1141_38	1637.92
31	Packaging & Paper (12) Publishing & Printing (14)	492.95	-2.9	13.06	7.06	9.41	22.95	507.51	486.58	479.22	552.85
32	Publishing & Printing (14)	2890.54	-2.9	12.41	6.47	20.09	124.64	2977.42			3518.83
34	Stores (33)	807.45	-3.2	10.93	4.61	11.90	18.58	833,91	774.80	738.84	775.02
35	Textiles (12)	409,37	-1.4	14.56	8.67	8.71	20.31	415.08	410.15	409.21	518.39
40	OTHER GROUPS (107)	991.69	-3.2	12.75	5.91	9.51	32.00	1024.41	996.37	972.56	
41	Agencles (16)	1023.97	-2.7	10.61	3.24	12.44	22.25	1052.67	1109.71		1560.27 1200.84
42	Chemicals (24)	770.2/	-4.1	1333	6.69	8.86	46.81	1039,22			,
43	Conglomerates (15)	1332.12	-3.8 -2.2	12.74	7.52 5.49	9,46 9,97	38.45 65.20	1384,24 1952,95			1578.31 2176.13
44	Transport (14)	17410.44		12.70	,		26.09	1157.77	1109.80		1091.90
46	Telephone Networks(3) ,	1932.40	-3.2 -1.4	11.68 15.75	4.88 7.01	11.15 7.15	68.12	1960.39	1927.36	1929.43	1727.40
47		1552.39	-31	13.49	5.80	霓	61.49	1602.73			1926.14
	INDUSTRIAL GROUP (479)	1019.33	-3.2	12.21	5.31	10.03	32.22	1053.26	1019.63	991.56	1146.02
51	OII & Gas (21)	2407.80	-0.5	9.29	5.19	14.05	85.44	2419.19		2372.21	2191.32
	500 SHARE INDEX (300)	1132.58	-28	11.74	5.29	10.51	36.51	1165.09	1132.%	1103.98	1233.89
61	FINANCIAL GROUP (103)	707.93	-3.6	-	6.71	-	32.79	734.68	699.11	660.37	763.68
62	Banks (9)	766.39	-3.8	21.35	7,52	6.13	42.00	797.01	753.35	694,78	768.78
	Insurance (Life) (7)		-3.8	-	5.57	-	54.97	1431,62			
66	Insurance (Composite) (6)	620.59	-3.7	J 7	6.84		27.35	644.11	609.54		
	Insurance (Brokers) (8)		-5.2	9.62	8.18	13.58	41.94	827.73	827.63		990.41
68	Merchant Banks (7)	356.13 899.54	-0.2 -4.0	8.39	5.75 5.41	15.73	12.75 25.08	356.77 937.04	336.17 913.28	334.76 868.20	402.14 1219.07
70	Property (45)	249.13	-1.4	11.36	7.01	11.43	1162	252,78	238.06	236.32	339.69
		1003.30	-28		3.94		25.03	1031.69	994.97	935.36	1225 37
	Overseas Traders (5)	1168.85	-0.9	12.24	7.89	9.73	59.65	1179 60	1166.21	1140.23	1343.47
	ALL-SHARE INDEX (674)	1027.82	-2.9	12.24	5.47	7./3					
. 77	ALL-SHAKE INDEX (0/5)	-		<u> </u>			34.93	1058,54	1026.04	995.94	1120.83
		Index	Day's	Day's	Day's	O _E t	Oct.	9ct	9¢t.	Oct	Year
	L	Mo.	Change	High (2)	Low (b)	88	5	4	3_) Z	290

	FIXED INTEREST							AVERAGE GROSS REDEMPTION YIELDS	Tue Oct 9	Mon Oct 8	Year ago (approx.)
	PRICE INDICES	Tue Oct 9	Day's change	Mon Oct 8	xd adj. today	xd ad). 1990 to date	1 2 2	Rritish Corerement Low 5 years	10.76	10.62	9.71
3 4	5-15 years Over 15 years Irredeemables	118.01 123.55 123.79	-0.70 -1.06 -1.22	118.43 124.79 125.12 144.83 124.53	0.36	9.84 8.85	7 8 9	High 25 years	11.45 11.24 11.11	10.62 11.25 11.11 11.01 11.40 11.34 11.28 10.76	9.54 11.24 10.07 9.67 11.35 10.29 9.83 9.60
7	Over 5 years All stocks	154.57 138.78 139.86	-0.10 -0.16 -0.15	154.72 139.00 140.07	-	2.46 3.12 3.06	111111111111111111111111111111111111111	Index-Linked Inflation rate 5% Inflation rate 5% Inflation rate 10% Inflation rate 10% Inflation rate 10% Over 5 yrs. Over 5 yrs. S years	4.32 2.81 4.14	3.89 4.30 2.75 4.13	3.08 3.53 13.34
10	Preference		+0.33 -0.32	101.53 73.59	-	9.20 5.33	17	Lyans 15 years 25 years	12.77 12.34 12.90	12.79 12.39 12.85	12.36 11.70 10.54

40pening ladex 2171.7: 9 am 2173.7; 10 am 2177.6; 11 am 2161.0; Noon 2157.7; 1 pm 2153.6; 2 pm 2145.7; 2.30 pm 2146.6; 3 pm 2144.5; 4.10 pm 2144.1; (a) 9.46am (b) 4.25pm r Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL, price 15p, by post 36p.

RISES AND FALLS YESTERDAY

. 5 . 6	80 4	. 8 11 739
22 0 26	359 20 0 36	316 47 10 94
- 61 - 61	39	106
		66 359 22 20 0 0 26 36 61 39

LONDON RECENT ISSUES

issae Price	Anriet Paid	Latest	19	90	Stock	Clasing Price	+07	Met. Div	Tiones Cor/d	Gress	PÆ
me	9	Date	High	Low		rtice	ľ	- OFF	LOT 0	YNEED	KEELIG
180 2 1 100 100 100 100 100 100 100 100 10		111111111111111111111111111111111111111	139 4772 98 38 11 22 17 53 90 602 78 78 78 78 78 78 78 78 78 78 78 78 78	90 170 3 40 176 20 114 118 20 20 20 38	ASI Letture Inp Father Prest Finish Group I p Colden Vale Irip J Fire Finish Group I p Colden Vale Irip J Fire Finish Group I p Colden Vale Irip J Fire Finish Group J Fire Finish J Fire Colden J Fir	######################################	7,740	R4.7 9.1 00158% 71.0 63.75 FLO	37 51 14421 111111111111111111111111111111	52 53 53 54 54 54 74	851 - 1285 - 1 - 1 - 1 - 1

FIXED INTEREST STOCKS										
Itspe Amous Price Paid		Latest, Resource	' 1990 t		Sect	Classing Price	+ 00			
£	a p	Date	High	- JOH		£	-			
100 100p 100p 100p 100p 100p	F.P. F.P. F.P. F.P. BIH F.P.	26/7	101 1029 709 1219 110½ 1489m 1059	75 739 750 1049 1014 1090 509	Shather Tops 12ec Co. Inc. Le. 2005 Perhan Foods By filed Le Ref Pf. Bank Ch. B. 22p Oket Dr Com Ref Pf 25p Rechtl & Colman 9-3pc Cr Bel 2005 Rechtl & Colman 9-3pc Cr Bel 2005 Rechtl & Colman 9-3pc Cr Bel 2005 What Gro	75 98a 85p 118½0 108¼ 1,0pca 50p	-3 -1 -25 -14			

			R	GHT	S OFFERS		
issue Price			Latest 1990		Sunt	Closing	+=
p p	P	Date	irigh	Low		l) Luicé	-
Divident at previous yea and yield be based on lat Divident at divident to a Offered to	on gaviced of yield co or's earning sed on pro- lest acrosal of yield ha oer and p/e o bolders o	no on reli spinale spec specture or i i earnings, med on pro ratio base f ordinary	capital, g a clai provide lend and yie other official Mr Divideo repectors or d on prospe shaires as a	prespectus Assumed di At. y Force sid based or al estimate d and yield other offic ctus or othe "riches".	AATA Selection Grammich Resources A-5p Rynoch die & G Ratures Swippende Sardon Cutre, 50p estimates of Dividend rate paid or pageable estimates or author official estimates for s for 1990-91. L Estimated aurusplied del lased on prospection or other official esti- tial estimates for 1999-90. Q Gross, EF or official estimates. W Pro Forms Digerca, the introduction. E Placing price, 19 Relative tion with reorganisation, presyer or taken	Berkery (); be, cover be 1989, K D Signif, cover spaces for 1 brecase and y bessed by bartion & 1	etres, s seed on hidend and pie 990, it

TRADITIONAL OPTIONS

First Dealings Last Dealings Last Declarations	Oct. 1 Oct. 12 Jan. 10	London Share Service Calls: Amatrad, Argos, Av Berisfords, Hanson Wis., Kwik
For settlement For rate indications	Jan. 21	Mountieigh, Richmond Oil & (Tuilow Oil. Put & Call: Ametrac

LONDON TRADED OPTIONS

back at much higher levels and there was widespread speculation that at least one trader had suf-

fered heavy losses.
The December FT-SE 100 index

THE OPTIMISM in equity futures after the recent 1 point cut in UK interest rates had all but evaporated by the close of trading yes, terday. Meanwhile, in traded-

sterling's entry into the exchange rate mechanism of the European

ent rise in oil prices.

300 - 35 46 - 11 14 327 5 - - 13 - -330 - 18 30 - 25 28

Monetary System had been replaced by worries over the ten-sion in the Middle East and the subsequent rise in oil prices.

There was also concern that the sudden rise in prices on Friday had hit some futures traders particularly hard. Operators who had sold short were forced to buy

points on the day and 130 below its high on Monday. The Decem-ber contract's premium over the cash index narrowed slightly to 56 points. Analysts estimate that December should be approximately 50 points above the spot index, reflecting the cost of finance and future dividend pay-

Option

Option

ments.	-		-			,	
In the	e tre	idec	9	otic	78	mer	ket.
turnover							evr- els.
Dealing		Negr					est
				,	•	PUTS	
Optice	٠	**	▔		Oct		Apr
Tratalgar	180	25	32	35	3 7	ū	17
(*202.)	200 220	12	18	25	7	22 33	25 38
		_	-	10	_	25	.30
Old. Biscolis (*313)	300 330	15 14	\$2 16	40 24	3 20	10 10	14 28
(35)	360	17	642	15	50	易	50
Unliese:	600	45	70	90	2	17	25
(494T)	650 700	26 10	40 23	62 40	18 45	38	45 70
Ukramar	330	21	38	47	3		18
(*347.)	360	3	22	30	18	28	33
	390	1	11	20	47	48	52
Option		liter	řė	Blay	Mer	Pe	Hay
Brit Aero	500 520	48	75	80 53	8	15	25
(*538)	680	16 7	43 24	33	双	38 72	73
BAA	390	28	47	65	12	23	23
C408)	420	12	33	45	27	37	37
BAT Inds (*576)	550 578	45 30	75	90	7 25	18	22
BTR	300	28	42	48	4	12	14
(319)	330	9	24	30	ij	Ž	ž
Srk. Telecom (*286.)	290 300	В	25 15	34 23	8 18	<u>ئ</u> 24	<u>17</u>
T200 /	340 .	24	6	4	125	4	u
Cadhary Sch (*313.)	300 330	22 7	38 20	44 29	7 22	12 28	17 31
		•				4	31
Gafanes (2740.)	700 750	쯄	87 55	102	13 33	절	33 53
GEC	180	16	22	28		_	25 135.
(*1 89)	200	412	12	15	5 16	æ	22
Nameson	180	20	23	28	14	6 %	7
(*198)	200	65.1	12	18	8	16	16
(MSL)	433 460	17	40	50	8 20	<u>-</u>	=
		_			_	_	_
P. & Q. (547.)	500 530	55 15	75 45	87 54	27 27	15 31	25 42
Pilkington (*364)	160	11	17	26	6		
	180	3	<u>10</u>	16	20	12 25	16 25
Polly Peck	•						

Now Fels May ther Fels May

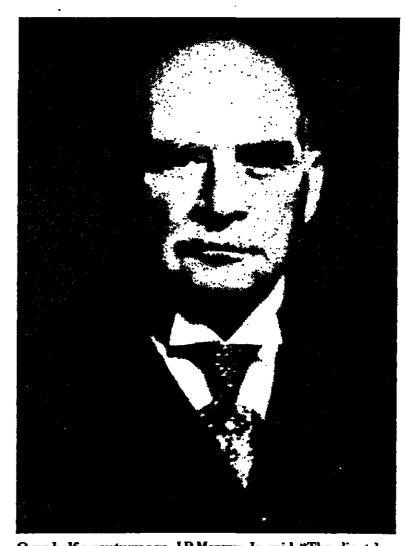
Oct Dat Mar Oct Dat Mar

9 14 25 31 45 67 98 132

Why the "new" thinking in M&A isn't new to us.

Now that some highly leveraged transactions of the last decade are under scrutiny, there has suddenly been a call for a "return to the fundamentals" of "sound business principles" in M&A and of "relationship banking." At J.P. Morgan, however, we have no such need to get back to basics. We never left them. We will recommend a merger, acquisition, sale, or divestiture only when it is based on a sound analysis of true debt capacity and complements your long-term business strategy in a way that truly benefits your shareholders. For in our 150 years of

experience, we've learned that placing our clients' interests before our own is the best way to be successful in the long run. For truly objective advice in M&A, turn to one firm where sound strategic thinking is never out of fashion.



Over half a century ago, J.P. Morgan, Jr., said, "The clients' belief in the integrity of our advice is our best possession."

JPMorgan

ILG contract loss will not affect company, says Davies & Newman Shares in Dan Air parent fall 130p

SHARES in Davies & Newman, the parent company of Dan Air, collapsed yesterday from 203p to 73p in thin trading. At the beginning of the year they were trading at 775p. Yesterday's fall followed an

announcement by International Leisure Group, the private company that owns Intasun, one of the UK's leading tour operators, that it would not be leasing aircraft from Dan Air next summer.

ILG, chaired by Mr Harry Goodman, said it was no longer willing to use fuel-inefficient aircraft at a time when aviation fuel prices were climbing. It claimed the contract was worth about £30m.

Davies & Newman, which operates the second largest charter operation in the UK. yesterday disputed ILG's

It said the potential deal, which would have been for the lease of two or three aircraft next summer compared with six last year, was worth less than the figure claimed by ILG.

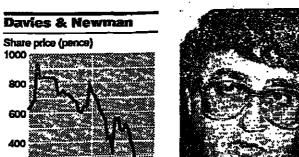
German side

limits fall

to £1.24m

at BLP

June 30.



Harry Go

The company added that the airline had offered ILG its most modern Boeing 737-400 and 437-300 aircraft.

The loss of the contract would not significantly affect the company's performance, claimed Davies & Newman. It said it had already placed 80 per cent of its fleet for next summer with leading and reliable tour operators including

to use 'fuel-inefficient' aircraft Thomson, Owners Abroad and Airtours

It did not anticipate having

difficulties placing the remain-"We are oversubscribed and cannot meet demand," the company said. Davies & Newman explained the fall in the company's stock yesterday by pointing out that the shares were thinly traded

and were closely held for the most part in family trusts. Other shareholders include Virgin, the records and retail group run by Mr Richard Bran-son, which has a 3.35 stake in

the company.

Analysts last night said the rise of more than \$1.5 in oil prices had also done little to help the Davies & Newman's

The troubled company has been looking for a partner for a number of months. It is thought that American Airlines and Delta, the US air-lines, and All Nippon Airlines of Japan have been interested acquiring a stake in Dan

However, there are questions about whether the company can transfer ownership of its valuable take-off and landing slots to a non-UK carrier.

Davies & Newman made a loss of £3.34m last year, against a profit of £9.88m in 1988. It recently announced that its engineering business, which has a turnover of about £50m a year, was up for sale.

Gulf Res buys Aviva stake for £8.8m

By Richard Gourlay

quoted company, has paid £8.8m for the 17 per cent stake in Aviva Petroleum, the Lon-Reduced pre-tax profits of £468,000 compared with £1.7m were announced by BLP Group, the USM-quoted maker of wood laminates and moulddon-quoted independent oil company, controlled by the family trust of Mr Lawrence ings, for the six months ended Hockey-Sweeney, Aviva's

follows pressure on Ferris Investments, Mr Hockey-Swee-ney's family trust, from its

ment, however, on the second half last year when £394,000 was achieved.
Mr Malcolm Cohen, chairman, said the profits were almost entirely attributable to a very good performance in Germany by the Berg group, acquired in May 1989. Poor By Simon London market conditions had contin-ued in the UK and in the

The interim dividend is cut to 0.25p (1.5p) payable from earnings per 10p share of 0.6p

The result was an improve

Turnover improved to £30.29m (£19.09m). Tax took £88,000 (£568,000) and there was an extraordinary £253,000 credit.

GULF RESOURCES and Chemical Corp, the New Yorkbankers. Mr Hockey-Sweeney, who will remain chairman of Aviva, has been granted a one-year option by Gulf to repur-chase half the shares at 29p per

Mr Hockey-Sweeney said that Gulf, in which the prop-erty company Inoco has a 37 per cent holding, was buying the Ferris stake on the basis of chairman. The sale at 19.75p per share Aviva's oil and gas reserves in the Gulf of Mexico. The company has proven

and 2.6m barrels of crude oil which together produce the equivalent of 2,500 barrels per day. Speculation over the prog-ress of drilling in Colombia has produced wild swings in the Aviva share price, which closed yesterday down 1.5p at a low for the year of 15.5p.

reserves of 60bn cu ft of gas

On Monday, Aviva announced net losses for the first half of 1990 of \$828,000

S&N offers to buy back Eurobond issue

SCOTTISH & Newcastle, the brewing and leisure group, yes-terday announced an offer to buy back its outstanding £50m 9% per cent Eurobond issue, which matures in 2008.

The company will buy the bonds back through Warburg Securities until the close of trading on Friday. Warburg will purchase the bonds at the price at which they yield 1.5 per cent over the UK government 9 per cent bond maturing in 2008. The price for each transaction will be set at the time it is agreed to a maximum price of 82.

If the whole of the outstanding issue is bought in at the maximum offer price, S&N will spend £41m on the operation. Yesterday the bonds were trad-ing at 77%, yielding 12.8 per cent or 1.9 per cent over the government bond. With Eurobond issues trading at a substantial discount to face value, many UK compa-nies have chosen to buy back their bonds. Lest week Mountleigh, the property group, made an open offer to buy back SFr95m (£38m) of Swiss bonds that were trading at a large discount and a high yield.

Notice of Redemption

Suncor Inc.

TO: The holders of 125/% Debentures, Series "B", Due November 15, 1991 (the "Debentures") of Suncor Inc. (the "Company") issued under a Trust Indenture dated June 1, 1983 as supplemented and amended by a First Supplemental Indenture dated November 15, 1984 each made bet Company and The Canada Trust Company as supplemented and amended by a Supplemental Trust Indenture dated January 9, 1989 providing for the resignation and replacement of The Canada Trust Company by Montreal Trust Company of Canada as Trustee (which Trust Indenture, First Supplemental indenture and Supplemental Trust Indenture shall herein be collectively referred to as "the Trust

NOTICE IS HEREBY GIVEN that, pursuant to the terms of the Trust Indenture, the Company will redeem on November 15, 1990 (the "Redemption Date") all of the outstanding Debentures at a redemption price equal to 100% of the principal amount thereof together with scarued and unpaid interest to November 15, 1990 (the "Redemption Price").

Payment of the Redemption Price will be made in lewful money of the United States upon presentation and surrender of such Debentures together with all unmatured coupons, namely those dated November 15, 1991, to any one of the Paying Agents listed below:

PRINCIPAL PAYING AGENT Royal Bank of Canada Europe Limited, 71 Queen Victoria Street, London EC4V 4DE, England

OTHER PAYING AGENTS

First Interstate Trust NMB Sank (Belgium) S.A./N.V., Company of New York, Rue de Ligne 1, 2 Broadway, 29th Floor, New York, New York 10004, B-1000 Brussels

The Royal Bank of Canada 6Rue Diday,

Kredietbank S.A. Luxembourgeoise, 43 Boulevard Royal, Luxembourg

NOTICE IS FURTHER GIVEN that all interest on the Debentures will cease to accrue from and after the Redemption Data and coupons dated after such data shall become null and void.

Dated at Toronto this 10th day of October, 1990.

Suncor Inc. By: Montreal Trust Company of Canada, Trustee

LUXEMBOURG

A FINANCIAL TIMES SURVEY The publication date of this survey has been changed to

Friday 16 November 1990

If you require information on advertising or wish to book an advertisement within the survey, please contact

Ruth Pincombe Advertisement Sales Manager Financial Times (Benelux) Ltd. Rue Ducale 39 Hertogsstraat B-100 Brussels Tel: (02) 513.28.16 Fax: (02) 511.04.72

WHAT AM I?

I began with a diary but am now a collection.

I will keep you in the pink but ensure you stay in

I appeal to organisers but also to the organised.

I can travel abroad but keep track of your home

THE ANSWER? THE FINANCIAL TIMES COLLECTION - the only solution to business riddles. A portfolio of products for the business professional. Publicity pages, goldstamping of company logos, and large order discounts are amongst the services offered. Whether or not you place an order for one, or one hundred items - the FT Collection is the logical choice.

Ring Sue Holgate on 071-799 2002 for a copy of your FREE Catalogue. Alternatively, send in a business card to the address below marked for the attention of Sue Holgate, FT Collection, FT Business Information Ltd., 7th Floor, 50-64 Broadway, London SW1H 0DB. The first stage in making a good investment.

FT Business Information Ltd., Registered Office: Number One, Southwark Bridge, London SE1 9HL. Registered in England No. 980896

THE HIGH COURT

1990 No. 13, 728 PC16

IN THE MATTER OF:

AN INTERDED APPLICATION TO THE HIGH COURT LINDER SECTION 13 OF THE ASSURANCE COMPANIES ACT 1909 AND THE INSURANCE ACTS 1989-90 BY THE DIRECTORS OF IRISH LIFE ASSURANCE pic

NOTICE

TAKE NOTICE that it is the intention of the Directors of the said Irish life Assurance plo ("ILAC") a subsidiary of Irish Life plo ("HOLDCO") having its principal place of business in Irish Life Centre, Lower Abbey Street, Dublin 1, to make application to the High Court to sendion the transfer of the undertaking of ILAC including all its property, assets, rights and powers (with the exception of a cash sum of HOSOO,DOO) and its liabilities, duties and obligations to trish Life Assurance (Newco) Limited ("NEWCO"), a wholly owned subsidiary of HOLDCO, HOLDCO has acquired in excess of 99.9% of the based share capital of ILAC and has served rotics under Section 204 of the Companies Act 1963 in respect of the remaining shares.

AND FURTHER TAKE NOTICE that copies of the acheme ("the Scheme") whereby the said transfer is to be effected, the Actuaries Reports in relation thereto, the Transfer Agreement, the Petition presented to the High Court on Set Occaber 1990 and the Principal Affirmation of Thomas David Kingston which it is intended to use on the hearing of the said Petition are all available for the inspection of any shareholder or policyholder of ILAC at the offices of ILAC at itsit LIE Centre, Lower Abbry Street, Dubin 1 between the hours of 9.00 a.m. and 5.00 p.m. on each working day between the date hereof and 2nd November, 1990.

AND TAKE FURTHER NOTICE that the said Petition is to be heard by the High Court of Ireland

Any person who wishes to be heard on the hearing of the said Publico should serve on the Pethionars' Solicitors, WELLAM FRY. Fitzwillon House, Wilton Place, Dublin 2 a Notice in writing (together with any additional writing (together with any additional to be relied on) no later than 5.00 p.m. on 1st November, 1930 of their intention to appear on the said Fettion and should indicate to the said Solicitors in such notice whether such person or persons support or oppose the said Pettion and in the event of them opposing the Pettion their grounds for so doing.

Dated this 9th day of October, 1990

WILLIAM FRY Solicitors for the Petitioners, Fitzetitos House, Wilton Place, Dublin 2.

Scantronic shares drop after profit warning

By Andrew Hill

SCANTRONIC Holdings, the manufacturer and distributor of security products, yesterday warned that pre-tax profits for 1990-91 would not improve on last year's figures.

The group's shares fell 36 per cent, from 114p to 73p, and shares in Automated Security (Holdings), which owns 20 per cent of Scantronic, also suffered. The security company's share price slipped 20p to 181p in the weak market.

Spending cuts by local authorities, linked to the introduction of the community charge, led to a first-half slump in sales of Scantronic's emergency monitoring systems for elderly and infirm people. Two important customers also reduced stocks following a change in their trading policy and the group lost

money in August. Mr Chris Brookes, Scantropic's chief executive, said that profits before tax for the six months to September 30, due to be announced next month, would be lower than in the equivalent period. Second-half profits would be about the same as last year, he said, but the group would not match the £6.54m it made before tax in 1989-90. Analysts had forecast an increase to £8m in the current year.

Mr Brookes said yesterday:
"It's a hiccup which we have
come through and addressed."
Apart from the difficulties in
the UK, he added that the company had not grown as fast as it would have wished in Europe and had closed its Scandinavian and Italian sales

The group tried to take the sting out of the profit warning by announcing that it would declare an interim dividend of 0.79p for the first half, against 0.715p paid in the equivalent

Although Scantronic's pre-tax profits will be down for the first half, there will be an extraordinary gain on the sale parable half. of the group's European wholesale distribution activities to Gardiner Group. The disposal, for up to £11m in cash and loan stock, has now been completed, reducing Scantronic's gearing to about 35 per cent.

Cronite expects lower profits

The Cronite Group, Birmingham-based alloy and metals processor, yesterday warned of lower profits. The shares fell 6p to 32p on the approximentation and closed at

Mr JM Butler, the chairman, said that the group's metal processing subsidiary had been affected by the with drawal from the market of its largest customer. He added: "This, coupled with significant costs associated with revitalising Abtex and ABC Powder, mill adversely affect the group's results for the year ended September 30, 1990." Mr Butler expected that the final dividend would be main-

First Tech profits gloom By Andrew Bolger

First Technology, the automotive, fire, security and safety systems group, yester-day warned that it was likely reduction in its current year to next April, compared with last

year.
The timing of the warning, which came only minutes before the market closed, led to some confusion among mar-

One securities house marked the price down to 180p, but the shares closed at 280p, up 5p on the day. Last year the company made pre-tax profits of £6.71m on turnover of £41.49m.

NOTICE TO THE HOLDERS OF Warrants to Subscribe for SHARES OF COMMON STOCK OF

FUSI PHOTO FILM CO., LTD.

issued in conjunction with U.S. \$400,000,000 3½ percent. Bonds with Warrants due 1992

Pursuant to Condition 11 of the Terms and Conditions of the Warrants and Section 4(A) of the Instrument dated 27th June, 1988 under which the above bonds with warrants were issued, notice is hereby given as follows:

were issued, notice is hereby given as follows:

1. On 25th September, 1990, The Board of Directors of the Company resolved to make a free distribution of shares of its common stock to shareholders of record as of 25th October, 1990 (Japan time), at the rate of 0.10 share for each share held.

2. Accordingly, the subscription price will be adjusted effective immediately after such record date. The subscription price is reflect prior to such adjustment is Yen 3,487.30 per share of common stock, and the adjusted subscription price is Yen 3,143.00 per share of common stock.

2. Effective date: 21st Octobar, 1990.

FUE PHOTO FILM CO., LTD. By: The Bank of Tokyo Trust Company as Fiscal Agent

Dated: Oclober 10, 1990

Lep issues warning to ADT not to get too closely involved

LEP GROUP, the security and distribution company, yesterday issued a stern warning to ADT to stay at arm's length after the cash-rich electronic security and vehicle auction security and venicis auction group, increased its stake from 21.8 per cent to 27.3 per cent.

ADT picked up 7.5m shares after a Lep director, Mr Bill Berkley, sold a 5.5 per cent holding in the New York market. Mr Berkley is co-founder of National Guardian Corporation, the Len subsidiary which

tion, the Lep subsidiary which is one of ADT's principal rivals in the US security market.

The Bermuda-registered

group has almost doubled its stake in Lep in the past week, but refused to comment yester-day on its intentions.

The rapid increase fuelled speculation that ADT, which

has more than \$1bm of cash and liquid securities in its bal-ance sheet, might launch a full

Lep's shares rose 6p to 173p in yesterday's depressed mar-ket. At that price the UK com-pany, which announced a 21 per cent increase in interim profits five days ago, is worth about £237m.

The Lep statement said there was "no scope for Lep to have a relationship with ADT other then as a pure arm's length investor". It added: "Neither the intrinsic nor the strategic the intrinsic nor the strategic value of [Lep's] businesses and assets has in any way been fully reflected in the recent prices at which ADT has been buying Lep's shares."

Mr John Rast, Lep's finance director, said yesterday that

ADT had told Lep at an earlier stage that it was "an active investor but a passive share-holder" in the company.

"What we are saying now is that they cannot become active shareholders — in other words, they can't get closely involved with the running of the com-

pany," he said. Mr East said Lep had realised that Mr Berkley needed to sell most of his 6.2 per cent stake to finance a \$20m equity injection for Financest Foods, a US company of which he is

chairman.

Mr Berkley acquired the shares when Lep completed the National Guardian acquisition two years ago but has been unable to sell them until now because of a standattil agree-



Mike Smith, left, chief executive of Laura Ashley, with Andrew Higginson, finance director

LAURA ASHLEY, the clothing and furnishings retailer, yes-terday reported slim pre-tax profits of £317,000 for the 26 weeks to July 28 against an outcome of £6.53m in the com-

The company's sales, which were buoyed up by the inclusion of the US Revman's results, were strongly ahead at £173.92m (£134.16m).

Rarnings per share came to 0.02p (2.09p) but the company considered it prudent not to declare an interim dividend.

O COMMENT

ise with a vengeance. The company has effectively ended its in integrated retailer and will now be quite content to source its products from wherever it can find the best prices. The pruning of peripheral businesses and the emphasis on belong short menerates and balance sheet management and cost reduction will be to the company's long-term benefit. And the link-up with the Aeon Group will bolster Laura Ash-ley's financial position and

Regrettable though it is for 1,500 of its employees, Laura Ashley has decided to rational-but praise for all these developpecis. Analysis having nothing but praise for all these develop-ments, but just wish they had happened several years ago. For this year it seems unlikely that Laura Ashley will register much advance in profits over the first half and it is a matter of some doubt whether it will be in a strong enough position to pay a dividend. Further out providing it can find an effective chief executive to take the business forward — the company will begin to recover ground but it looks a long and gruelling process.

QS boosts profits by 22%

yesterday reported a 22 per cent increase in first half pre-tax profits, combunding critics who said the March flotation

on the main market was ill-timed. Pre-tax profits rose to 23.61m on sales up 19 per cent at £21.2m, in the six months

ended July 27. The interim dividend is unchanged at 1.31p.
Mr Nigel Tibbles, chairman, said that as interest rates rose people who regard themselves as more affinent had increasingly turned to QS's 66 stores and away from more up-mar-

The company, which until three years again sold second hand clothes, says its most

Authorised

Over the period, QS increased its sales area by 165 per cent, mainly through the

acquisition of properties with long term leases. Sales in new

and existing stores grew 2.3 per cent per square foot. O COMMENT The first QS figures since its placement last March seem to

confirm the group's optimism that despite 15 per cent interest rate growth, demand for cheap children's and women's clothing would remain buoyant As long as the company ant. As long as the company pursues organic growth by offering a small product range at low margins, its conserva-tive accounting policies and

QS, the South of England expensive item leaves change careful cost control look like a weakness it is in how QS is going to expand more quickly. Although its cash pot is large for a company with market capitalisation of £39m, this could easily be eroded by the purchase of a handful of free-holds. Efforts to grow by acquiring stores in new markets by raising money through new paper could then be ham-pered by the Berry family which controls more than 50 per cent of QS stock and might be reluctant to see a dilution of its stake. Nevertheless, QS is a sound defensive stock in uncer-tain economic times and deserves its 12.5 times multiple on earnings estimated for the year at £6.6m or 11p a share.

This advertisement is issued in compliance with the requirements of The Conneil of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The Stock Exchange"). It does not constitute an offer or invitation to any person to undescribe for or purchase any securities in the Company.

JLI Group plc

(Incorporated in England under the Companies Acts 1862-1898 No. 67473) Introduction to

The Stock Exchange

sponsored by S.G.Warburg Securities

Share Capital

Ordinary Shares of 20p each

Issued and fully paid £3,685,633.20

£5,020,000 Application has been made to the Council of The Stock Exchange for the whole of the Company's issued share capital, currently dealt in in the Unlisted Securities Market, to be admitted to the Official List.

The principal activities of the Group are food processing, international merchanting and contract distribution of a wide range of products for the food industry. Copies of the Listing Particulars may be obtained from the Companies Fiche Service maintained by The Stock Exchange, until 12th October 1990 from the Company Announcements Office of The

Smock Exchange and during usual business hours on any weekday (Saturdays and Public Holidays excepted) up to and including 24th October 1990 from: S.G.Warburg Securities 1 Finsbury Avenue, London EC2M 2PA

JLI Group pic JLI House, Guildford Street, Chertsey Surrey KT16 9ND

UK COMPANY NEWS

Putting steel into international ambitions

Charles Leadbeater and Peter Bruce look at British Steel's relative failure in Europe

French state-owned group and

recently acquired the Troisdorf division of Klöckner-Werke, which is considered the out-

owned producer. But most significantly the

French group announced plans last week for a joint venture

with Arbed to manufacture

Brish STEEL'S Port Talbot plant in South Wales had a visitor recently from Volkswagen. For a day he crawled over the plant, inquiring into every aspect of production. That greating Port Talbot was cert. evening Port Talbot was certifled as an approved supplier to the German car manufacturer.

CZDAY OCIORE

A STATE OF THE PARTY OF THE PAR

Tillian firence direct

Analysis house

north real several par.

1 - the var a sent

that the action as a

" drance a prin

es en dan ekst

in in a count count E

in the business inc ு ் அரசும் விடி

notes around but the

- स्टब्स् इस्टिस्

antili des cestalet antique formula l'Es

and a sale

f. ... t- tolong and म्ब्राह्म स्वताहरू

a : canany val 5

Talladio of Co.

FEN DE COME

Hors of P

10 mm

अन्य १८५४ दशकी विश्वके

the Boy

भ करा । व्हेड द**ाव**डी

A. Verenden SEAR STREET

erringe itt.

The state of the

n al medical de n al medical design n al medical

المانية المرادي

Company of the state of

The second secon

engr.

an har state

producing it can fe effective chief emo Volkswagen is not alone in approving of British Steel's costs and quality. British Steel's exports to Germany have risen by 61 per cent in the last year, evidence of its potential as France's leavest cost tial as Europe's lowest cost

But as yet that potential has not been translated into a strong position in continental European steel markets Last year the UK took almost 70 per cent of its output. About 17 per cent of production went to other EC countries, giving it less than 5 per cent of the con-

British Steel's strategy to expand its manufacturing and sales on the continent appeared to be back on track yesterday with a joint venture with Aristrain, the Spanish structural steels maker. The deal almost collapsed last month when Aristrain's family owners pulled out of a complex arrangement in which British



bank, were each to take 40 per cent stakes in the group. The deal's resurrection has saved British Steel from an The deal's resurrection has saved British Steel from an acute embarrassment. But it will have done little to dispel some of the dealts over how it. Steel, Usinor-Sacilor, the lambs over little to dispel some of the dealts over how it. Steel, Usinor-Sacilor, the lambs over little to dispel some of the dealts in Spain and Germany.

The deal's resurrection has flat products divisions, a move many.

The Usinor-Sacilor/Arbed joint venture would produce 2.3m tonnes, against British



Sir Robert Scholey, chairman of British Steel

will realise its international its main European competitor, is becoming increasingly central to the structure of the European industry. It has a stronger position in Germany, through its acquisition of Saarstahl, than British Steel, which

After earning record profits from booming markets in recent years, British Steel has a substantial pot to fund acquisitions. However expanding internationally will require a sharp change of gear for Brit-ish Steel. Its transformation into one of the most profitable steel companies in the world has been built on the determined rationalisation of its UK production base. Its future expansion will require a clearer sense of strategy and a change of management culture to exploit international oppor-tunities.

The rest of Europe is not standing still. Cockerill Sambre of Belgium and Arbed of Luxembourg recently announced talks to merge their

Steel's 1.7m tonnes.

The venture is designed to head off British Steel, which has targeted structural steel as the product which will lead its European expansion.

Usinor-Sacilor already domi-nates in other areas such as stainless steel. The steel tube market is suffering from excess production capacity and in other areas such as flat products British Steel is highly effi-cient but not predominant. Structural steel is central to

British Steel's strategy.

The web of cross-border deals involving its competitors is not the only problem British Steel faces. There are two others: one financial and the other political

The financial issue is that as the steel market softens, so steel producers will come under financial pressure, the price of steel-making assets should fall and there sh more opportunities for acquisi-tions. But the softening market will also make it difficult for even British Steel to make much money from older conti-nental plants in need of invest-

The political problems are more intractable. With weaker markets, many European steel companies are facing a return sider of the German industry.

In the last month Usinor-Sa-cilor opened a hot strip-rolling mill in Turkey, in a joint ven-ture with liva, the Italian state-

to losses.

To the weaker companies which are yet to pick themselves up from the crisis of the last decade. British Steel appears as a flerce competitor and hungry predator, which, if unrestrained, will force them to accelerate restructuring.

The Spanish government's reaction to the Aristrain deal shows that steel still has a special will be a special with the steel still has a special will be a spec

and market long products, such as structural steels for the construction industry.
This dwarfs British Steel's cial political status. Its concern is that the industry is in a state of flux and is still not ready to deal with British Steel's arrival.

Spain began restructuring its industry much later than its big European Community part-ners. Ensidesa, the leading state-owned group, which has spent Pta30on renovating old plant and shedding 6,000 of the 21,000 workers it employed in 1986, has warned it may end 1990 in the red, after making its first profit of the 1980s last

This year AHV, which also lost heavily in the 1960s, is at best expecting to just repeat its 1989 operating profit of \$44m. An experiment to bring together five small companies to form Acenor still hangs in the balance.



also trying to find ways to improve co-operation between Ensidesa and AHV. Although the state only has a minority stake in AHV, which is publicly quoted, the official Banco de Credito Industrial, has enough convertible debt out-standing in AHV to take full

A measure of the alarm which British Steel's arrival has spread through the Span-ish industry is the reaction of the much stronger German industry to increasing imports from the UK. Mr Ruprecht Vondran, the German steel industry association president, warned the industry to be watchful of the threat from the British giant".

British Steel may be a giant. It has yet to prove it will not be a muscle-bound giant.

Goodman examiner asks for more time

By Kieran Cooke in Dublin

A NEW chapter in the sage of A NEW chapter in the sage of Goodman International, Europe's higgest beef processor and exporter, opens today as the examiner appointed by the Dublin High Court applies for more time to unravel the group's financial affairs.

Goodman International has debte of more than the processor and the process

debts of more than 1£450m to 30 banks and is under the pro-tection of the high courts until

the end of the year.
Mr Peter Pitzpatrick, the examiner, was to have presented a report assessing the viability of Goodman Interna-tional to the court today. He will argue that much of his time has been taken up with gaining agreement from the banks for 1555m of further emergency funding in order to ensure the continuance of Goodman international's core cattle slaughtering and pro-cessing during the peak "kill-

tollowing matters:

1. To hear and accept

6. Any other business

Mr Fitzpatrick will also point that Goodman International had delayed presenting accounts of more than 50 commanies now under the court's terms of its loan facility in the court of the cour out that Goodman Interna-tional had delayed presenting accounts of more than 50 companies now under the court's control. Mr Fitzpatrick has already been granted one extension of 21 days for his

Goodman's creditors are becoming anxious about the present state of affairs. This week Westdeutsche Landes-bank (freisnd) gained permis-sion from the Dublin High Court to start proceedings after the submission of the exam-

iner's report to recover funds loaned to Goodman

This is the first clear sign that banks involved with Goodman — so far acting in union— are now fishting for control of funds to meet at least some of their outstanding loans. In an affidavit read to the Court, WLIL said that it had loaned Goodman International

MEXICAN INVESTMENT COMPANY

Societe d'investimement a capital variable

Registered Office: Luxembourg, 14 rue Aldringen Commercial Register: Luxembourg Section 8 31.888 NOTICE OF THE ANNUAL GENERAL MEETING OF

SHAREHOLDERS
The Annual General Meeting of Shareholders of MECCAN
INVESTMENT COMPANY, SICAV, will be held at its registered
office in Luxembourg, 14 rue Aldringen, on October 18th, 1990 at
11,00 a.m. for the purpose of considering and voting upon the

To approve the statement of assets and fabilities and statement of aperations for the year ended. June 30th, 1990.

A. To elect the directors to serve until the next annual general meeting of shareholders.

5. To elect the auditor to serve unit the next annual general meeting of shareholders.

The shareholders are advised that no quorum for the statutory general meeting is required and that decisions will be taken at the majority of the shares present or represented at the meeting.

The Board of Directors

To discharge the directors and the auditor with respect of their performace of duties during the year ended June 30th, 1990.

a) the management report of the directors.
b) the report of the auditor.

WLIL says that under the terms of its loan with BNP, Goodman International was are price, to provi

obligations to BNP. WLIL says that BNP "knew or ought to have known" that such funds could not have come from Goodman International and that they were for other "specific purposes.

WLIL says that, given the "parlous state" of Goodman International, the sale of Goodman's 13 per cent stake in Berisford "may be imminent". WLIL says that Goodman has lodged £63m with BNP to meet its loan obligations to the French bank in regard to Beris-

WLL says that if the Beris ford shares are sold, then BNP will use these funds — includ-ing the WLIL £12m — to help repay the syndicate of banks involved in the £90m loan.

native cash security.

Contrary to the terms of the WLIL loan agreement, Goodman International used £12m of the WLIL loan to meet its complained.

"If and when this occurs, the ability of WLIL to trace £12m will be greatly reduced and made almost impossible", it complained.

Interest and redundancies cut Savage to £51,000

By Jane Fuller

SAVAGE GROUP, the USM-quoted hardware supplier built up with the help of a string of acquisitions, made a pre-tax profit of just £51,000 in the year to June 30, compare with £7.29m the previous year. After taxation of £752,000 After taxation of £752,000 the loss per share was 4.8p to make the loss per share was 4.8p to make the loss per share was 4.8p to make the loss per cent to 0.5p, making a total of 2p (3.5p).

Although turnover advanced by 8 per cent to £129.9m, Mr David Stephens, finance directions.

tor, said that like-for-like volume was down by 7 per cent.
Operating profit fell sharply
to 25.74m (£9.66m) and this
was knocked back further by

were run up in 1988-89 when we did several acquisitions for cash." Debt had been slightly reduced by June this year to £26.8m, giving gearing of 96

per cent.
In the UK, which accounts
for 41 per cent of sales, the
business with wholesalers and
the DIY retail chains was hit by destocking, as demand was undermined by the lack of house moves and the general

economic squeeze.
France, contributing 36 per cent of turnover, had also been a disappointment. Apart from falling sales, local employment conditions had made cost-cut-

conditions had make concenting a slow process.

Problems in the Benelux countries had led to management changes and there had also been disruption after a warehouse move. The smaller West German business had west German business had seen growth in market share. Mr Stephens said the group management had not foreseen that volumes would continue to fall as they did.

Savage boasts that it has increased turnover thirteenfold since 1986, when it joined the USM. It is also worth noting that the pre-tax profit that year was £1m-plus and the year was Elin-puts and the margin a respectable 10 per cent. Since then, it first took advantage of a high share price, which reached 327p, to issue paper to make acquisitions and then continued its pursuit by running up debt.
Thankfully the buying sprees stopped before 1988-89, but the subsequent attempts to rationalise the business look like too little, too late. The company has reported an improvement in sales volumes in the first in sales volumes in the hist quarter of the current year. The sanguine view is that this, coupled with benefits of cost-cutting and better profits from the Continent, will bring in a pre-tax profit of up to 23.8m this year. A more conservative estimate is £3m and the prospective multiple ranges from 8 to 10. Risks remain, particu-larly bearing in mind the high

obliged, in the event of a drop

using part of that loan for

other purposes.
WLIL says Goodman Interna-

tional had come to a separate £90m loan agreement with a syndicate led by Banque Nationale de Paris. That facility was used by Goodman International to purchase £99m worth of shares in Berisford

International, the UK commodities, sugar and property con-

	Current payment	Date of payment	ponding dividend	for for	last year
Alexander Workerint	1.8	Nov 26	1.6	-	4.7
Ashiey (Leure)int	nił	-	0.85	-	0.85
BLP Group §int	0.25	Nov 28	1.5	-	2
Cramphorn §fin		Nov 23	1.15	1.94	1.563
HTV Groupint		Nov 30	1.5	-	7.5
London/M'chesterint	4.176	Nov 19	3.795	-	12.09
NB Canadian kryint		Nov 12	3	-	9
QSint		Dec 4	-	-	-
Savage Group §fin		Dec 12	2	2	3.5
S&U Storesint		Nov 28	1.5	-	6
Walker Greenbankint		Nov 23	1	-	2.75

DIVIDENDS ANNOUNCED

Dividends shown pence per share net except where otherwise stated. "Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. ‡‡For 15 months to December 31 1989. ♦For 53 weeks.

PLASTIC CARDS

The Financial Times proposes to publish this survey on:

28th November 1990

For a full editorial synopsis and advertisement details, please contact:

> Jonathan Wallis on 071-873 3565

or write to him at:

Number One Southwark Bridge London SEI 9HL

FINANCIAL TIMES

Madrid Stock Exchange. In one new active management group. La Corporación Banesto is Spain's newest- and hergest - private sector industrial company. Formed on June 22nd, it beings together all of the industrial interests of Banesto, one of Spain's The significance of the new company may be ed by the size and breadth of these holdings. ideed, La Corporación Banesto now accounts for over 2.5% of the Madrid Stock Exchange, and 1% of the entire Spanish industrial economy. With core holdings in fifteen major Spanish tions and investments in more than 100 other ies, it also covers practically every area of is commercial and industrial activity. Our aim is not merely to invest in these es, but to influence their success. To give strategic direction to their management. To help plan and promote their development. To make the most of their potential. In effect, La Corporación Benesto is an actively ged slice of Spain. Its influence will be felt way beyond Spain In the emerging unified European market. And around the world. La Corporación Banesto The driving force in Spain is now an active force in Europe.

5.800 sq ft long lease for sale P Glinsman

MAYFAIR

OUTSTANDING

OFFICE HEADQUARTERS

L. Browning

071-499 8644 071-493 7050

ACCOUNTANCY IN 1991

• Its future, the products, the services NOW at the 9th Accountants' Exhibition, Barbican Exhibition Centre, October 9th - 11th 1990.

Tue. 9th 10.00cm-6.00pm, Wed. 10th 10.00cm-7.30pm, Thur. 11th 10.00cm-5.00pm

The only annual exhibition serving the profession. For further details telephone Sandra Healy on

• COMMENT

Issued by Corporación Industrial y Financica de Banesto, S. A. and approved by UBS Phillips and Drew Securities Limited a member of The Securities Association, for the purpose of seculon 57 of the Financial Services Ace 1986.

THE SHREWSBURY & WEM BREWERY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN that a meeting of the holders of the 4 per cent. Irredeemable Pirst Mortgage Debenture Stock of the above-named Company constituted by an Indenture dated 5 March 1898 between (1) the Company (then and therein called The Shropshire Brewery Company, Limited) and (2) Sir William Bower Forwood and Sir David Radeliffe (as modified by divers instruments supplemental thereto) will be held at the offices of J. Henry Schroder Wagg & Co. Limited at 120 Cheapside, London EC2 on 23 October 1990 at 11.15 a.m. for the purpose of considering and, if thought fit, passing the following Resolution which will be proposed as an Extraordinary Resolution:—

EXTRAORDINARY RESOLUTION

- this meeting of the holders of the 4 per cent. Irredeemable First Mortgage Debenture Stock ("the Stock") of The Shrewsbury & Wem Brewery Company, Limited ("the Company") constituted by an Indenture dated 5 March 1898 between (1) the Company and (2) Sir William Bower Forwood and Sir David Radcliffe (as modified by divers instruments supplemental thereto) ("the Instrument") hereby sanctions the proposals contained in a letter dated 9 October 1990 from the Chairman of the Company to the holders of the Stock and, in accordance therewith, the redemption on or before 31 December 1990 of the whole of the outstanding Stock at £110 per £100 nominal of the Stock together with accrued interest thereon calculated up to and including the date of the redemption:
- the rights of the holders of the Stock against the Compa be and they are hereby modified and compromised as far as may be necessary to give effect to sub-paragraph (a) of this Resolution whether such rights arise under the provisions of the Instrument or otherwise howsoever;
- upon payment by the Company of the redemption moneys and accrued interest pursuant to and in accordance with and managed interest pursuant to and in accordance with sub-paragraph (a) of this Resolution, the Company be released and discharged from all or any further liabilities, restrictions, covenants and obligations of whatsoever nature under the terms of the Instrument or in respect of the Stock; and
- the rights of the holders of the Stock and of the provisions of the Instrument involved in or necessary to give effect to the proposals set out in the said letter and to give effect to this Resolution.

BY ORDER OF THE BOARD Secretary 9 October 1990

This announcement appears as a matter of record only

HPI Netherlands, Ltd

a 100% subsidiary of

Hunt Petroleum Corporation

NLG 100,000,000

Project Loan

arranged by

BANK MEES & HOPE NV

funds provided by

BANK MEES & HOPE NV

RABOBANK NEDERLAND NMB BANK

agent bank

BANK MEES & HOPE NV

AMERICAN BRANDS, INC.

U.S. \$290,000,000

5%% Convertible Debeutures
Due 2005

5%% Convertible Debentures
Due 2005
In accordance with Section 15(e)
of the Fiscal Agency Agreement
between American Brands, Inc.
(the "Company") and Citibank,
N.A., Fiscal Agent and Conversion Agent, the Company
bersby gives notice that as a
result of the two-for-one split of
its Common Stock, par value
\$3.125 per share ("Common
Stock"), in the form of a stock
dividend of one share of Common Stock for each issued share
of Common Stock (including
each treasury share), payable to
holders of record of Common
Stock on the close of business
on October 9, 1990, the Conversion Price (as defined in such
Fiscal Agency Agreement) of
the shove-referenced debentures
has been adjusted from \$79.00
per share of Common Stock to
\$39.50 per share of such stock.

AMERICAN BRANDS, INC.

AMERICAN BRANDS, INC. October 10, 1990

REGISTERED OFFICE: PO Box No 2

September, 1990

AMERICAN BRANDS, INC U.S. \$200,000,000 5%% Convertible Debentures Due 2003

Due 2003

In accordance with Section 15(e) of the Fiscal Agency Agreement between American Brands, Inc. (the "Company") and Morgan Guaranty Trust Company of New York, Fiscal Agent and Conversion Agent, the Company hereby gives notice that as a result of the two-for-one split of the Company's Common stock, par value \$3.125 per share ("Common Stock"), in the form of a stock dividend of one share of Common Stock for each issued share of Common Stock for each issued share of Common Stock on the close of business on October 9, 1990, the Conversion Price (as defined in such Fiscal Agency Agreement) of the above-ruler-enced debentures has been adjusted from \$58.00 per share of Common Stock to \$29.00 per share of such stock.

AMERICAN BRANDS, INC

share of such stock.
AMERICAN BRANDS, INC
October 10, 1990

Carlotte and the second

A Stockholder entitled to vote at the above meeting is entitled to appoint a proxy to attend and vote in his place. To be valid, the Form of Proxy must be delivered to the Company Secretary, The Shrewsbury & Wem Brewery Company, Limited, P O Box No 2, Wilderspool House, Warrington WA4 6RH, before the time appointed for holding the meeting. No person may be appointed a proxy who is not a Stockholder or Trustee of

Royal Ins helps Japanese insurer strengthen UK base

ROYAL INSURANCE is forming a joint venture with Nissan Fire and Marine Insurance Co, one of Japan's ten largest non-life insurance companies. The venture, Nissan Insurance Co Europe, will be capitalised at £13.3m, with the Japanese partner taking a 75 per cent stake.

The move involves the upgrading of Nissan's embryonic operations in London, using Royal's network of sales and claims staff to serve the needs of Japanese multina-tional clients, such as Nissan's own manufacturing operations and Hitachi, in the

The new venture is in line with Royal's strategy of devel-oping its business in the Pacific rim and could have pos-itive spin-off elsewhere, said Mr Roy Randall, head of corpo

The two companies have worked together on various

servicing Nissan clients in a number of countries.

Royal has also had connec-tions with Dowa Fire and Marine Insurance, a slightly smaller Japanese company, since 1973. Earlier this year Royal helped Down establish an office

in New York. "Our strategy in the Pacific rim area is to get alongside key players and help them where we can," Mr Randall said, adding that the relationship could also help the Liverpool-

based company win new busi-

ness in Europe, as Japanese manufacturing companies increase their investments Links with Dowa helped Royal obtain a licence to write business in Japan itself in 1974. but winning market share has proved difficult. Royal wrote only 0.03 per cent of non-life insurance tremiums sold in

projects since 1975, with Royal 1989. Even so it remains the third biggest, and the largest non-US, insurer licensed to do husiness there.

Although Nissan Fire and Marine Insurance's investment is relatively small, like other recent deals involving Taisho Marine and Fire and Sun Alliance and Tokyo Marine and Fire Insurance and Commercial Union, it signals long-term Japanese interest in both the UK and European

cial Union in April this year. Taisho Marine and Sun Alli-ance signed a co-operation agreement last December.

According to Mr Chris Poun-tain, analyst with Morgan Stanley: "This is part of a trend whereby Japanese com-panies are setting an literaling.

Tokyo Marine and Fire took a 2.9 per cent stake in Commer-

panies are setting up listening posts often with companies with which they have had

Exchequer Levy rise hits HTV

RISING COSTS, static advertising revenue and an increase in the Exchequer Levy payment all helped to cut pre-tax profits at HTV, the franchise holder for Wales and the west of England, to £42m in the discounter that it was the first payment at the first payment.

in the six months to end-June.
The company, which has changed its year-end from July 31 to December 31, made \$4.9m in the six months to July 31

At the operating level, televi-sion activities made profits of 24.98m (£9.51m) while those of the much smaller commercial division edged higher to

£885,000 (£698,000). Sir Melvyn Rosser, chair-man, said: "Despite severe reductions in staff numbers and internal costs, we have had to face television production costs that have risen in line with inflation, no growth in net advertising revenue and a change in the basis of calcu-lating Exchequer Levy that has resulted in an increased tax

If the Exchequer Levy had been applied on the previous year's basis, it would have eem £2m lower at £1.8m.

AMERICAN BRANDS, INC

U.S. \$400,000,000

7 3/4% Convertible

Debentures Due 2002

In accordance with Section 14 (a) of the Fiscal Agency Agreement between American Brands, Inc. (the "Company") and Mengan Gunney Trust Company of New York, Fazzi Agent and Convention Agent, the Company hereby given notice that as a possit of the two-fee-con split of the Company of the Company hereby given notice that as a possit of the two-fee-con split of the Company of the Company in the Company hereby given notice that as a possit of the two-fee-con split of the Company of the Company in the C

the Company's Common Stock, per value 53.125 per share ("Common Stock"), in the form of a stock dividead of one state of Common Stock for each

issued sham of Common Stock (mehding each treasury sham), psystile to holders of record of Common Stock

to holders of record of Common Stock on the close of husiness on October 9, 1990, the Couversion Rate (as defined in such Fiscal Agency Agenciess) of the above-referenced debentiums has been adjusted from \$8,1834 shares of Common Stock for each \$5,000 principal smooth of such debentiums to 176,3668 shares of Common Stock for each \$5,000 principal smooth of such debentiums to 176,3668 shares of Common Stock for each \$5,000 principal amount of such debentiums.

AMERICAN BRANDS, INC.

The interim dividend is being held at 1.5p. Earnings per share fell from 4.29p to 3.69p.

69p. Total sales for the television division amounted to £70.03m (£83.08m). Within this, advertising revenue was about static at £49.98m (£49.02m). HTV's share of total revenue for the industry held constant at 6.2 per cent. Turnover from programme sales was down across the board, although there was a particularly sharp slump in rseas aalea

Activities of the commercial division provided an extra £12.93m of sales. There was a £686,000 profit from the sale of land on the company's main studio site outside Cardiff, where a four-star hotel is to be constructed. Reflecting the acquisition of CCA Publica-tions in March last year, art trading put in sales of £10.45m (£6.53m).

The company's net interest position turned around from £377,000 receivable to £1.32m

• COMMENT These figures, which look even less inspiring when you take into account that the 1989 result was depressed by a 22.1m exceptional debit, fell short of analysts' expectations of around 25m or so pre-tax.

True, the outcome owed something to the timing of programme sales and HTV may claim credit for maintaining its share of national advertising though, owing to its geo-graphic location, revenues never have spiralled ahead in bullish economic conditions. The second half will probably be not much better than the first, with the autumn season expected to be flat in advertising revenue terms. So full-year pre-tax profits may be as low as £10m giving a prospective p/ e of about 8.5. That is not

demanding, nor is it terribly relevant in the context of the looming bidding contest for the ITV franchises - the current ones, which expire at the end of 1992, come up for renewal

next spring. There is a general feeling that HTV's position is going to be averagely safe, but it is hard to say what competitors may loom out of the Welsh mists.

NEWS DIGEST

Cramphorn 34% ahead to £1.34m

KAMPHUKN. tne USM-quoted garden centre operator, lifted pre-tax profits 34 per cent to £1.34m in the 53 weeks to July 7 1990. That compared with £1m in the 52 weeks to July 1 1989 and the forecast of not less than £1.3m at the time of the rights issue in

April. Mr Gerald Smith, chairman, said that the garden centre business had continued to show resilience to the general slow-down in the economy. The increase in operating profits - from £1.22m to £1.59m -was partly attributable, he said, to the opening of two new centres in the spring and the acquisition of a third.

The fall in turnover - to £14.92m (£16.14m) - was accounted for by the closure of the wholesale division, in line with the company's strategy of focusing on garden centres. Earnings per 12.5p share improved to 7.11p (5.58p) and the directors have recommended a final dividend of 1.44p to make 1.92p (1.563p

S&U Stores 56% higher at £1.68m

S&U Stores, the consumer credit, TV rental and hosiery manufacturer, returned profits

of £1.68m pre-tax for the half year ended July 31. The 56 per cent improvement on last time's £1.07m was scored from a turnover £2.47m higher at £22.95m. The interim

dividend is being raised from 1.5p to 2p on the back of a 3.82p per 12.5p share.
Mr Derek Coumbs, chairman, said the rate of growth had alightly moderated since July but was still continuing at an acceptable level.

NMW Comp rises fourfold to £0.2m

NMW Computers, which provides both computer account-ing services and systems to organisations within the securities industry and general facilities management services, increased pre-tax profits to £210,000 in the first half of 1990. This result - up from £48,000 last time - was struck on turnover down at £4.42m (£4.66m). Earnings worked

through at 0.6p (0.1p).

The company said that the diversification into facilities management was gathering momentum and opportunities in the derivatives market would be pursued. However the securities industry had experienced prolonged prob-lems. These were reflected in the current market capitalisation which stood below the value in the balance sheet.

The company said that unless levels of activity improved, maintaining profits would be more difficult.

Alexandra Workwear up 11% and sheds jobs

UK COMPANY NEWS

ALEXANDRA Workwear, maker and distributor of work clothes, increased interim pretax profit by 11 per cent to £4.1m, but also announced that it had shed 200 johs after installing new handling equipment at its warehouses.

The £655,000 cost of the redundancies (accounting for 70 per cent of the warehouse workforce) and closure of the old Bristol site, now replaced by six more specialised units, was included in the figures as an extraordinary item.

The investment had totalled about \$4.5m, said Mr Julian Budd, finance director. "We

have substituted interest pay-ments for heads." Interest costs more than tre-bled to £998,000 (£320,000) and gearing rose from 40 per cent

gearing ruse from 20 per cent, at the year-end to 70 per cent, although he said that was partly because borrowings tended to run at a higher level in the first half.

The 24.1m taxable profit for the 28 weeks to August 18 compared with £3.7m for the corresponding 1989 period. Turnover increased by 13 per cent to £35.15m (£31.02m). Mr John Prior, chairman and chief executive, said that despite the more difficult eco-nomic conditions, trading mar-gins had improved. Profit at that level grew by 27 per cent to 25.08m (24.02m).

The group, which manufac-tures in Scotland and also has some retail outlets, serve 180,000 customers in the first half. Its French and Dutch operations accounted for 6 per

Mr Prior estimated that the



John Prior: holds 30% of UK

group had about 30 per cent of the UK workwear market. Some custom had been gained through smaller rivals going bust and since Bodycote inter-national had started to with-

draw from the sector.

Earnings per share rose to 8.14p (7.31p). The interim dividend is 1.8p (1.6p).

O COMMENT

In the five years after it joined the main market in early 1985, Alexandra showed compound earnings growth of 29 per cent a year. While the pace has a year. While the pace has slowed this year because of constraints on UK demand and a bulge in capital spending, the improvement in trading margins shows that the company's premium rating is justified. The only quibble with these figures might be that the redundancy costs were taken below the line. Although the scale of the recovarisation was below the line. Although the scale of the reorganisation was extraordinary, the management is, rightly, not the sort to shy away from other moves to improve production efficiency. The benefits of its semi-automated garment handling system will show through in years to come and the related borrowings should already be down by the year and A full. down by the year end. A full-year forecast of £8m gives a prospective p/e of a little more than 12 on yesterday's close of 197p, which is fair value. In a fairly tight market, it could be one for the private client.

Wallcoverings push Walker Greenbank 24% higher to £4m

By Andrew Hill

WALKER Greenbank's WALKER Greenbank's decision to concentrate on its wallcoverings business helped push up first-half profits by 24 per cent, from £3.27m to £4.05m before tax, and the erstwhile mini-conglomerate is now poised to expand through according to the second state of the seco equisition.

Mr Charles Wightman, Walker's chief executive, said yesterday: "The acquisitions we are looking at are strategic: they are in a market sector and they are in a market sector and a business that we understand very well [wallcovering manu-facturing and distribution] and they will all generate substan-tial additional organic profits under our management.

under our management.

Walker was hit by losses at its Alker International shopfitting subsidiary in 1988 and has sold 13 of its 16 non-core subsidiaries since last September. Alkar is one of five businesses which it has sold since the end

of the half year on August 4.
The disposal programme
reduced Walker's turnover
from \$65.4m to \$42.5m in the period, and operating profits from £4.62m to £3.93m. How-ever, the disposal programme and cash flow from the wallcoverings business have helped wipe out borrowings which were £25m just over a year ago, leaving the group with £5m of cash, and £123,000 of interest

receivable, compared with an interest charge of \$1.49m in the first half of 1989-90.

Earnings per share rose from 2.43p to 3.01p and the group declared an interim dividend of

1.20 (lp). Mr Wightman said Walker would be happy to borrow up to about £5m to finance acquiitions in the UK and contin tal Europe, but he added that the group was considering buy-

sized British wallcoverings manufacturer - with a combi-nation of cash and new

Walker said market conditions were difficult and proba-bly would not be eased by the one point drop in interest rates announced last Friday.

The group is not dependent on the health of the UK housing sector because some 80 per cent of its wallcoverings busi-ness is generated in the com-mercial contract market.

However, Mr Wightman said the group was well-placed to take advantage of any improve-ment in the economic climate. "I don't think there is any conpany in this sector that will publish results as good as this," he added.

O COMMENT

Walker's strategy of alimning down to core businesses seems to be working, but it will take some time for shareholders to see the benefits of the dist come through to the share price. The walkcoverings business did push up profits in the first half — from £3.78m to £3.96m — but the market, as Mr Wightman himself admits, is not booming. Even if interest rates come down further, potential investors are likely to ignore smaller companies' for-tunes until they see how their larger counterparts are per-forming. Walker's sharehold-ers, who have had more than their fair share of suffering in the last two years, may be wary of grand expansion plans, but they are unlikely to sell out at this level. Based on forecast pre-tax profits of £8.5m for the full year, Walker's shares - up 1p at 47p yesterday - are on a multiple of about 7.5 times prospective earnings.

New business boosts London and Manchester

By Richard Lapper

LONDON and Manchester Group, the Exeter-based life insurer, yesterday announced a 10 per cent increase in its interim dividend to 4.176p, against 3.795p last time. Total net new annual premiums increased by 10 per cent from \$21.4m to \$28.6m in the first half of 1990, while single memiums were 3.4 per cent higher.

New business grew most rapidly in the company's life broker division, established in the early 1980s to develop business through tied agents. In the division, net new annual premiums rose by 23 per cent to £100,000 to £9.5m. £11.4m and new single premi-ums increased by 96 per cent to

The network of tied agents expanded from 572 to 638 during the January to June period.
The company's direct sales force in its home services divi-

sion also increased sales. Its sales of new annual premiums rose by 8 per cent to £3.5m. New sales of single premiums also grew strongly, increasing by 27 per cent to 22.5m. Sales of annual premiums by the company's industrial branch were also buoyant rising by 10 per cent to £3.5m.

Reflecting difficult market conditions, sales of pensions products declined. New sales of annual pen-

sions premiums fell by 9 per cent to 25.2m. Sales of single pension premiums slipped

Mr David Jubb, chief execu-tive, said the market had been adversely affected by recent legislative changes and legal uncertainty arising from a European Court judgment in the case of Barber versus Guardian Royal Exchange

Hoskyns to acquire German software house

HOSKYNS, the major computing services company quoted in London in which Cap-Gemini-Sogeti of France took a majority stake earlier this year, is buying a German software house as part of its strategy to develop its business in mainland Europe.

The German company, Technodata (Technodata Buero fuer Organisations und EDV-Beratung), specialises in software for the construction industry

for the construction industry running on Digital Equipment computers.

It made a pre-tax profit of DM3.8m in the year to June 30 on sales of DM21.9m. The founder director, Dietbert Moench, will continue to run Technodata as part of the Hoskyns green. kyns group. Hoskyns already owns the

German computer company Programm-Standard Computersysteme, a supplier of Digital Equipment computers in Ger-

shares with a deferred consideration of up to 1.2m Hoskyns shares based on Technodata's profits for the period ending in October 1991.

CGS has agreed to buy 1.4m of the initial consideration shares from the vendors. The vendors of Technodata have undertaken to retain the balsince of the shares and any shares issued to them by way of deferred consideration until CGS makes its agreed offer for the Western character. the Hoskyns shares it does not

Central American Bank for **Economic Integration** (CABEI) U.S. \$20,000,000

Floating Rate Serial Notes due 1994 For the six months 11th October, 1990 to 11th April, 1991

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 811/10 per cent. per annum, and that the interest payable on the relevant interest payment date, 11th April, 1991 against Coupon No. 24 will be U.S. \$122.98.

The industrial Bank of Japan, Limited Agent Bank

Immediate delivery or we are willing to warehouse awaiting call off.

Minimum order size 50 units to ensure keenest prices.

WEEKEND FT Advertisement Rates

Residential Prop (mono) (Full Culour) 36.00 22.00 36.00 50.00 36.00 11,00 6,00 28.00 49.00

For further details write to:

FINANCIAL TIMES

Leading quality office furniture manufacturer has available over 500 desks: storage cabinets and office screens available at special prices.

Ring: Managing Director 0784 313688

OFFICE FURNITURE

COMMODITIES AND AGRICULTURE

The seven pillars of oil market wisdom

Steven Butler examines the varied range of explanations for the recent doubling of crude prices

Some of the best minds in the oil industry have been set to work in an effort to make a prices have gone so make aftermath of Iran's invasion of Kuwait. The explanations at times resemble the arcane intellectual meanderings of a medieval scholastic debate and may seem just as irrelevant — 60 demand — Socials a former socials. effort to figure out why oil prices have gone so high in the aftermath of Iraq's invasion of

• COMMENT

Control of the second of the s

Jean Walter in

The date is

1 × 25/2:15 65.44

boosts

\lancheste

CONTRACTOR DE

Street to a market

A CONTROL OF THE PROPERTY OF T

इंग्रह्म विकास

e i (il.) 10 **Side.** Her reding **difficult to**

76 1 1/20. **Size 6 E**E

ीन वा नदील ही **अवस्**र

an market like

7- 241 77 44 44 1

gi <u>ing L</u>an iliyai **lide**

ire house

A CONTROL OF THE PARTY OF THE P

guite

£1)

.. :

The state of the s

none the less has important implications for oil company strategy and pubic policy. The Paris-based International Paris-based International Energy Agency, representing 21 industrialised counties, for example, has argued that it need not take emergency measure because markets are adequately supplied with oil and that the price rise reflects only political uncertainty. Others argue that the price rise argue that the price rise reflects a real shortage that would warrant release of gov-ernment-held strategic stocks or measures to restrain

All appear to agree, however, that the rapid rise in spot mar-ket prices and the speed with which it was passed through to consumers reflects the greater efficiency of oil markets compared to earlier oil market crises. Nearly all oil contracts are now priced on spot market fluctuations, meaning that everyone is paying the marketdefined marginal cost of supply, as economic textbooks would advise. Liquidity in the market has been improved by the growth of futures markets for crude oil and refined products in New York and London. Explanations for the price increase are not mutually exclusive; indeed they are reinforcing. However, the weight applied to each factor in the equation has important implications for a broad understanding of the market. The arguments break down roughly into seven lines of thinking.

• War premium: The most widely accepted explanation

World oil supply and demand curves 80

wo months to about \$40 a barel.

Why oil prices have gone up one the less has important uplications for oil company rategy and public policy. The 10 <u>E.V. J.</u> 0

World oil supplies (million barrels per day)
Source; USS, Philips & Drew

that more than half the increase is aitributable to fears that a war in the Middle East will both disrupt exports from Saudi Arabia and lead to a rapid increase in military descend for all Six Peter. demand for oil. Sir Peter Holmes, chairman of Shell Transport and Trade, for example, has said that an "equilibrium" price for oil was below \$20 a barrel when the world had about 4m barrels a day of spare production capacity prior to the Could price and provide the could be a spare production to the could be a spare production to the could be a spare to the could be a spar spare production capacity prior to the Gulf crisis, and roughly \$25 today, with that spare capacity gone. The difference between the market price and \$25 is the war premium. The IEA has accepted the logic of this analysis although it has quite sensibly, not tried to identify any notional equi-

librium price. The difficulty with these arguments, however, is that even in the best of times analysts are not very good at iden-tifying what the price of oil ought to be, or why prices have moved suddenly. Inevitably it is political developments, often explained away as market psy-chology, that appear to move the market on the day (or by the hour). It often takes many months of detailed analysis of

statistics, which initially can

MR ROBERT Horton, chairman of British Petroleum, yesterday warned that the oil industry would be facing huge investment requirements in the years ahead if it were to avoid supply difficulties later in the decade. and called on governments to create an envi-ronment that would make this possible. "I believe government have really got to

look at the investment challenges in the 1990s," he said, at a London conference spon-sored by the Centre for Global Energy Studies, which is chaired by Sheikh Ahmed Zaki Yamani. "Enormous investment is going to be required in the Opec countries." He said that investment would be required He said that investment would be required to boost productive capacity and that the world's aging tanker fleet would need refurbishment and replacement. And he added that large investments would also be required in refining, not only to cope with the rising demand for highly refined products, such as petrol, but also to cope with increasingly stringent environmental regulations.

"The role of government will be important

be quite inaccurate, for a sup-ply problem to be clearly iden-tified independently of price movements. It is thus difficult If this is true, it appears unlikely that any advice by political authorities to market to know whether the "war pre-mium" is \$15, \$10 or possibly will be heeded. If companies desire to hold more stocks prices will rise, regardless of much less.

Stock building: Oil companies typically try to hold more whether stocks are rising or failing, unless supplies increase sufficiently to satisfy stock during a crisis to cushion themselves against any supply disruption and this tends to that demand. One explanation for the rise in prices is that it reflects unsatisfied desire to drive up prices, but the stock position of oil companies is

hold stocks. rather murky at present.
Sheikh Ahmed Zaki Yamani,
the former Saudi oil minister,
this week called for oil compa- Potential disruptions to sup-President distributions to sup-ply: With both oil production and refining facilities around the world working at full capacity, the oil supply system is extremely susceptible to dis-ruption. This could be caused by extreme cold weather in nies to stop hoarding oil and to help bring down prices by releasing stocks to the market. The International Energy Agency, however, has argued that oil companies are in fact any major consuming area, a breakdown of equipment or a doing just that in an effort to strike in the North Sea, or a co-operate with IEA calls to avoid excessive stock building. refinery explosion. Because of the known dangers of disruption to supply, which happen in the best of times, oil companies would typically wish to hold a larger cushion of extra Yet Sir Peter says Shell does not have excess stocks on which it can draw because it operates on a minimum stock basis in order to avoid expo-• Inelasticity of supply and sure to an unpredictable market. While commercial stocks

demand: In the short run the world cannot produce much extra oil, whatever the price, while demand tends to respond only slowly to higher prices.

at one its five mines, which helped to lift the world price to

a 14%-year high, would not

because investment will require an adequate return," he said. He cautioned against, for example, adoption of a windfall profits tax for oil producers.

Mr Horton also said that BP was following

the conclusions of a BP study of the 1979 oil crisis and was reducing its stocks on a normal basis. "The holding of stocks through a crisis is very costly indeed. We are managing our own stocks to minimum levels."

Mr John Easton, US assistant energy secretary, also speaking at the conference, said the best that governments could do to ease the current crisis was to avoid inflaming the situation. "Twe given up hope that there is anything we can say that will calm the market," he said.

He also said that the US government was constrained by US law concerning the conditions under which the US could release Mr John Easton, US assistant energy secre

tions under which the US could release

"It presents us with the difficulty of decid-ing when there is a shortage." he said. "We can't exactly quantify what this is, but we think we'll know it when we see it."

This produces the supply/demand curve illustrated, which was drawn by Mr Geoff Pyne, an analyst at UBS Phillips & Drew. It shows an equilibrium price for oil at about \$20 before the invasion, and an equilibrium price close to \$40 with Iraq and Kuwait out of the supply picture. The supply curve would shift left again in the event of Saudi exports being

disrupted.
Mr Pyne says the graph is not a complete explanation of oil market behaviour because, for example, it does not take into account the stocking behavior of the oil companies. It does, however, offer a theoretical explanation for the steep increase in prices in a case in which supply and demand are extremely inelastic

in the short run. Supply dislocations: The net loss of world oil supply may be small, less than 2 per cent, following production increases by Saudi Arabia, the United Arab Emirates, Venezuela, and other oll producers. However, a sig-nificant number of oil buyers found themselves suddenly without supply which they were desperate to replace. Since everyone is paying the marginal cost, the appearance

Alaskan field to get \$1bn boost

By David Thomas, Resources Editor

RECOVERABLE RESERVES and output from Prudhoe Bay in Alaska, the largest oil producing field in the US, are to be boosted by about 10 per cent as a result of a \$1bn investment in gas handling facilities.

The investment is to be made by the group of oil com-panies which own Prudhoe Bay, led by British Petroleum, Atlantic Richfield (Arco) and Exxon. Prudhoe Bay's total output

of crude oil, gas and conden-sates will be boosted by 100,000 barrels a day from 1995. It is currently producing about 1.1m b/d. Recoverable reserves will be increased by between 330m and 450m, about 7 to 10 per cent of current reserves.

The project will facilitate

production by re-injecting gas into the reservoir. It will increase the fleld's gas handling rate from 5.3bn to 7.3bn cubic feet a day.

In a joint statement, Mr Rob-

Prudhoe Bay. Areo and Exxon each hold 21.78 per cent of the oil and 42.56 per cent of the gas. The other companies with an interest in the field are Mobil, Phillips, Chevron, Marathon, Amerada Hess, Louisiana Land and Exploration, Texaco BP and Arco, the field's oper-

ert Horton, BP chairman, and

Mr Lodwrick Cook, Arco chair-man, said: "At a time of Ameri-

can concern about long-term

oil supplies, this project will make a welcome contribution

and shows Alaska's potential

to add significant domestic

the \$1bn investment, with most of the rest divided between Arco and Exxon. It

owns 50.68 per cent of the cell and 13.84 per cent of the gas of

BP will contribute about half

ators, are also to examine options for reducing operating costs by sharing common ser-

US farmers seek grain subsidies for Moscow

By Nancy Dunne in Washington

THE US farm lobby is intensifying pressure on the Bush administration to grant credits for Soviet grain purchases in the wake of reports that Canada has given Moscow credits for the sale of 5m tonnes of wheat and barley. In a letter to the preside

major farm groups warned the that "the Soviets will not purchase significant amounts of US grain and other agricultural products except on credit terms, which the US govern-ment currently is unwilling to

The Canadian Wheat Board has refused to confirm reports of a major sale, and the US Department of Agriculture has been unable to get confirmation. But traders in the US
report that Moscow last week
bought 4m tonnes of Canadian
wheat — including feed wheat
and 1m tonnes of Durum —

and Im tonnes of barley.
One USDA official said a team of Soviet agricultural officials recently visited Washington and then went on to Winnlpeg and Ottawa for "a courtesy call". According to the farm lobby the Soviet officials who visited Washington threatened to halt purchases unless credit was granted.

In Chicago, Mr Rick Bogart, a commodity trader with Balfour Maclaine, said that reports of the Canadian sale circulated the markets last week and it was believed that there was "some credit" extended.

It is now a buyers market, he said. "It appears that business

HEATING OF 42,000 US galls, cents/US galls

Latest Previous High/Low

of giving credit." Meanwhile, the US has been giving increasingly generous export subsidies, some of which now equal 75 per cent of the purchase price.
This is the last year of a five-year Soviet-Canadian wheat

agreement under which Moscow promised to buy 25m tonnes. There is believed to be 4-5m tonnes of wheat still unpurchased under the pact. record wheat crop this year. At the same time it is facing the loss of its Iraqi market at an estimated cost of 3m-4m tonnes of wheat sales. The Wheat Board has granted credits to Moscow in the past but has not

done so for many years, the USDA official said. The Bush administration has consistently resisted pressure to offer credit terms to Moscow on grounds that the Soviets first must legislate emigration

reform.

Chicago

"We are fearful that such legislation may yet be some time in coming," the lobby said in its letter. "In the meantime, the Soviets have substantial commodity import and domes: tic food needs which they can ill afford to neglect. The letter referred to "the

current precarious state of the Soviet food system and expressed concern that food shortages would threaten the course of domocratisation and privatision in the Soviet Union. We believe the US no longer

sidelines of the agricultural commodity credits issue," it

22.31 22.62 22.90 23.35 23.68 23.90 23.90 23.65

SOVAREANS 5.000 by mire page/80th burshal

Broker forecasts switch to copper surplus

By Kenneth Gooding, Mining Correspondent

THE COPPER market can be expected to swing from a supply deficit of 44,000 tonnes this year to a suplus of 200,000 tonnes in 1991, which will send prices tumbling to much nearer the cost of production, according to Rudolf Wolff, the

for the size of the price rise is

commodities broker.
It suggests that the London
Metal Exchange three-month copper price, free-month copper price, free-month yesterday, will test £1,300 before the end of the year and the LME three-months price may decline to £1,000. this year, Wolff suggests the commitments for 1990 and saw Wolff a wholly-owned sub-

dian natural resources group, assumes that OECD economic growth will slow from about 2.6 per cent this year to 2.2 per cent in 1991.

It says aluminum prices can be expected to continue rising in the near term and foresees deficits of supply of 55,000 tonnes this year and 63,000 tonnes in 1991.

sidiary of Noranda, the Cana- be \$1,800 next year, "with a years. It said a recent cave-in

potential high of \$2,350 in the first part of 1991." Wolff also forecasts that nickel prices will remain relatively firm, averaging \$4 a lb this year, because demand is currently holding up and stocks are low. But prices are forecast to ease to a low of \$3.40 a lb in 1991 and to average \$3.50 a lb for the year.

Zaire's state mining

are broadly adequate, he sug-

gests they are held by many companies throughout the sup-ply chain and not just by a few

From Rudolf Wolff, Plantation House, 31 Fenchurch Street, London EC3M 3DX. LME WAREHOUSE STOCKS (As as Monday's close) group, Gecamines, said yester-

Previous High/Low

700

785 813 840

830 817

MINOR METALS PRICES per 76 lb flask, in warehouse, 180-200 (190-210).

Prices from Metal Bulletin (last week's in brackets). ANTIMONY: European free

market 99.6 per cent. \$ per tonne, in warehouse, 1,650-1,700 (1,650-1,700). BISMUTH: European free market, min. 99.99 per cent, \$ per lb, tonne lots in warehouse,

2.80-3.00 (same). CADMIUM: European free market, min. 99.5 per cent, \$ per lb, in warehouse, 2.40-2.60 (same).
COBALT: European free

12.50). market, min. 99.99 per cent, \$ exchange value, \$ per lb, UO, 11.45 (same).

free market, drummed molyb-dic oxide, \$ per lb Mo, in ware-house, 2.78-2.85 (2.85-2.92). SELENIUM: European free market, min 99.5 per cent, \$ per lb, in warehouse, 4.80-5.50 (same). TUNGSTEN ORE: European

MOLYBDENUM: European

of some buyers desperate to

replace lost supplies drives up

the price for everyone. It is

through higher prices that the market reallocates oil between

new suppliers and consumers.

● Loss of refinery capacity/lower quality of crude oil:

Three-quarters of lost oil sup-

ply may have been replaced,

but it has been replaced by lower quality, chemically heav-ier oil. The heavy oils in an ordinary refinery produce a large amount of heavy fuel oil,

not what the market really

wants. Although there was spare refining capacity in Japan and southern Europe, these refineries do not have

the sophisticated equipment lost in Kuwait to produce ligh-ter products, such as petrol,

from heavy fuels.

Therefore in order to produce the same amount of pet-

duce the same amount of petrol, the chemical feedstock
naptha, jet fuel, or heating oil,
unsophisticated refineries
must process much more crude
oil (although they end up with
a large amount of heavy fuel
oil which they may then be
unable to sell at a decent

price). Even though 75 per cent

of lost supplies may have been replaced, the replacement crude oil cannot replace 75 per cent of the lost product supply.

much shorter supply than would be implied by the gross volume of crude oil that now appears to be available.

Unrealistic price differen

tials: Saudi Arabia last week

lowered the price of its heavy

crude oil relative to market de-termined light crude prices in markets where it sells. None

the less, traders say the dis-count to light crude oil is still

too small to make the heavy

because the heavy crudes pro-

duce too much heavy fuel, for

which demand is weak. If the which demand is weak it the differential is too small, the relatively profitability of buy-ing and processing light crude will be higher, regardless of

the absolute price. This makes more buyers wish to purchase

light crude and tends to push

crudes attractive. This is

free market, standard min. 65 per cent, \$ per tonne unit (10 kg) WO, cif, 36-49 (37-50). COBALT: European free market, 99.5 per cent, \$ per lh, in warehouse, 13.00-14.00 (12.00-19.50) VO. cif, 2.75-2.85 (2.75-2.95). URANIUM: Nuexco

(Prices supplied by Amalgameted Metal Trading) CRUDE Off. (Light) 42,000 US galls S/barrel

75,248 lots

10.852 loss

6,729 lota

AM Official Kerb close Open Interest

9625-50 9275-300

WORLD COMMODITIES PRICES

Previous

Close

Copper, Grade A (£ per tonne)

Cash 2032-7 3 months 1873-4

Lead (£ per tonne)

Tila (\$ per tonne)

Cash 5140-60 3 months 6190-200

nimium, 99.7% parity (\$ per ionne)

MARKET REPORT Cocoa prices were in retreat in

London yesterday, with a French trade house featuring as a seller during the afternoon session. Dealers said improved rains in expectations that crops in the region are likely to be better than was previously believed, heightening bearish sentiment. Charts also appear to point towards further losses after the convincing breach of support at £700 a tonne for the nearby December contract. New York cocoa prices were under pressure from both chart and currency

London Markets

SPOT MARKETS		
Crude off (per barrel FOB)		+ or -
Dubei Brest Blend (dated)	\$35.00-5.25y \$40.65-0.75	+ 1.57 + 1.65
Brent Blend (November)	\$39.85-40.00	
W.T.L. (1 pm est)	\$40.35-0.39y	+1.05
Oil products (NME product delivery per t	onne CIF)	+ 07 -
Premium Gascline	\$422-425	+4.5 +13.5
Ges Off Heavy Fuel Off	\$355-358 \$149-153	+8
Naphthe	\$380-363	+14
Petroleum Argus Estimates	<u>. </u>	
Other		+ 05 -
Gold (per troy oz)	\$396	+3.75
Silver (per troy oz) 4 Pletinum (per troy oz)	468c \$450	+6
Palladium (per troy 02)	\$101	+0.65
Aluminium (free market)	\$2025	+50
Copper (US Producer) .	135c	
Lead (US Producer) Nickel (tree market)	50c 446c	+1
Tin (Kusia Lumpur market)	18.34	
Tin (New York)	286c	-5
Zino (US Prime Western)	75c	
	98.99p 131.65p	+0.50*
Sheep (dead weight)† Pigs (the weight)†	74.40p	2.00
London daily sugar (raw)	\$364.8w.	+54
London daily sugar (white)	\$313.Dw	+25
Tate and Lyle export price	E243.0	+3.5
Barley (English feed)	\$117.2 5 y	
Maize (US No. 3 yellow)	2155.5	• •
Wheat (US Dark Northern)	220	
Rubber (Nov)	50.50p	+0.50
Rubber (Cec) P Rubber (RL, RSS No 1 Nov)		+0.5
Coconut oil [Philippines)5	\$2700	
Palm Oil (Maleysian)5	\$285y	-
Copra (Philippines)\$	\$192.50	
Soyabeans (US) :-	£145 81.65c	+4
Wooltops (64s Buper)	41Bp	-29
2 a tonte unless otherwise		nce/kg.
c-cents/lib. r-ringgit/kg. q-N	ow/Dec. +Dec	. u-Oot
Dec v-Oct/Nov. w-Oct/No	v z-Aug/Sep	y-Nov.
threat Commission averag		
change from a week ago	. W London (apalos,
	A Duilles	

hitting a 17-month low of £385 a tonne in the morning. It closed at £390.50, a fall of £17. Bouts of short covering and profit taking purchases gave support on a market that earlier breached a major chart support base at £406 on follow-through liquidation prompted by the recent strength of sterling against the dollar. In New York frozen orange juice futures were limit down at midday on heavy speculative liquidation. "The speculators are balling out ahead of the crop report and on expectations there will be a Brazilian price cut," said one analyst. Compiled from Reuters

Rew Close Previous High/Low 225.00 283.00 282.00 227.00 221.00 227.40 228.80 220.80 222.08 229.00 229.20 222.80 224.00 228.60 228.60 Close Previous High/Low 300.9 Turnover: Raw1179 (1127) lots of 50 tonnes. White 1021 (1179) Paris- White (FFr per tonne): Dec 1514 Mar 152 May 1540, Aug 1580, Oct 1555 Nov 39.95 38.32 Dec 38.05 35.48 Jam 36.50 35.05 Feb 34.90 34.00 Apr 32.66 31.25 JPE Index 37.90 37.30 **32.68** Turnover: 14354 (10864) QAS OFL - IPE 358.50 345.25

Apr Apr	284.00 270.00	272.00 261.00	290.00 270.00
Turnov	er 13055 (12660) lots	of 100 tonnes
 E een	f Dundee	8TC \$520 ; C and f / \$455, BW	, SWC \$540, BTD Antworp BTC \$505, D \$456.
purch Wide	pael-Spot nted to 57 sees were soreed late	and ships 8 tornes. I recorded creat in Pa ton among	Extensive in most qualities. kestani and

price to for Oct	ndicator or Oct 5 8 972.84	prices (SDF 958.71 (961. (974.03)	ls per tonn 46) 10 day	a). D:
COFFE	¥ – Los	don FOX	_	£hor
	Close	Previous	High/Low	
Nov	601	596	908 595	
Jan Mer	614 807	611 603	619 610 614 604	
May	612	610	617 610	
Jul Sep	625 638	624 640	626 630 638	
Nov	652	650	854	
Turnovi ICO inc Oct 8: 0 74.45 (7	licator pr komp. dal	2141) lots o ices (US c iy 75,47 (74	f 5 tormes Anta per po .88). 15 day	avec)
POTAT	0ES - 1	rt.		£/tor
	Close	Previous	High/Low	
Nov	86.0	87.5	86.0	
Apr May	161.0 169.0	147.0 164.5	151.5 147.1 166.2	9
		4) lots of 4		
		•		
SOYAL	HAN ME	AL - BPE		£/tor
	Ciose	Previous	High/Low	
Dec	114,00	115.00	114.00	_
Turnove	¥ 15 (0)	lots of 20 to	Mines.	
FREG	ct FUTU	H2S - BP1	\$10/inc	iex po
	Close	Previous	High/Low	
Oct	1218	1230	1220 1215	
Nov Jan	1265 1263	1293 1293	1279 1250 1284 1250	
Apr	1255	.200	1270 1250	
Oct	1150	***	1175	
8F) Tumovi	1179 r 226 (56	7180)		
QRAIN	i - BFE			£/tor
Wheel	Close	Previous	High/Low	
Nov	114.10	114.40	114.50 114	
jan Mar	118.10 121.75	118.40 122.15	118.50 118 121.90 121	.10 75
Berley	Close	Previous		
	_		High/Low	
			110 SE 446	
Nov Jan	112.00 116.20	112.20 118.45	112.25 112 116.50 116	

MOS - BFE

98.0

Turnover 5 (20) lots of 3,250 kg

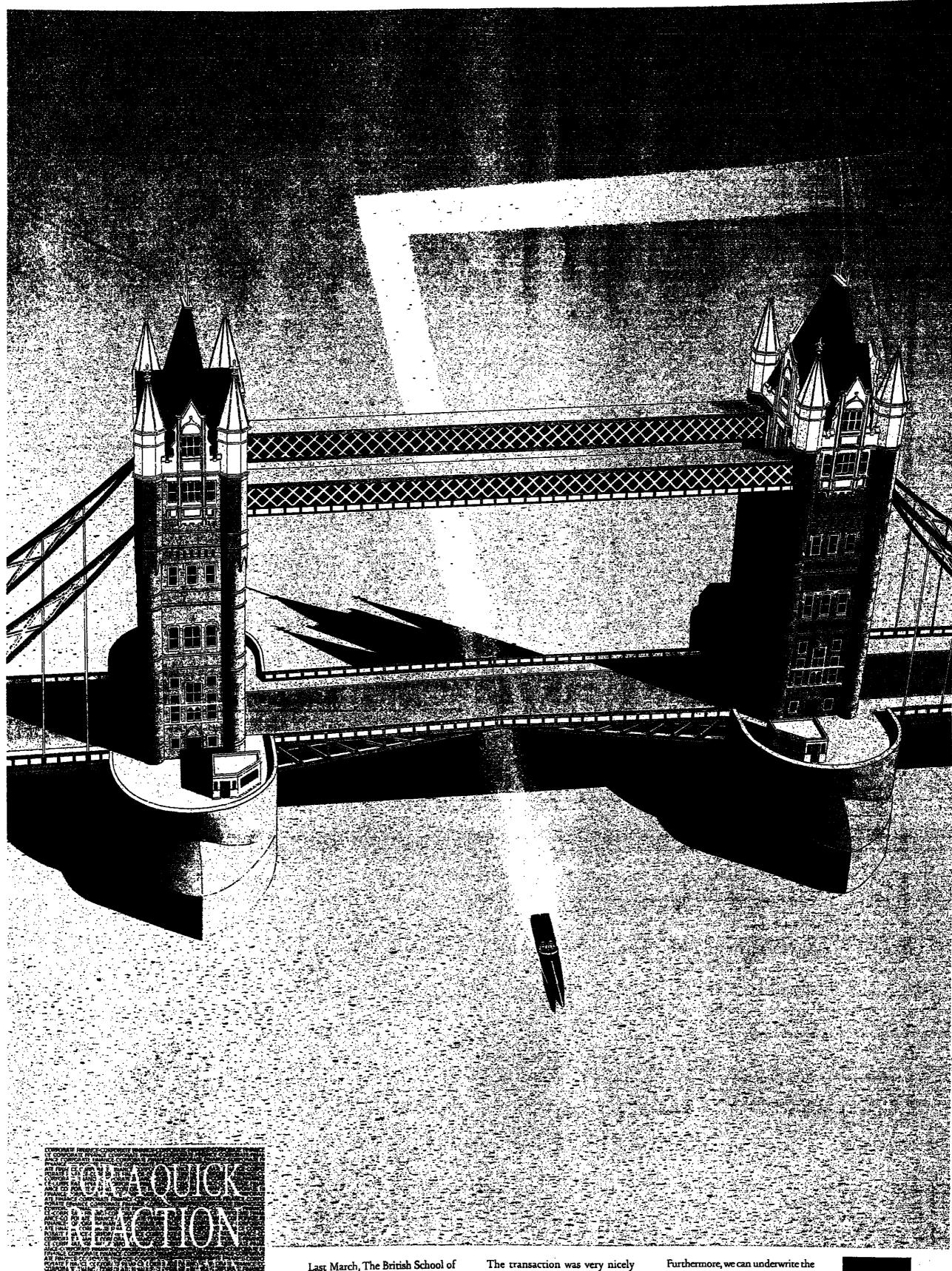
(Cash Settlement

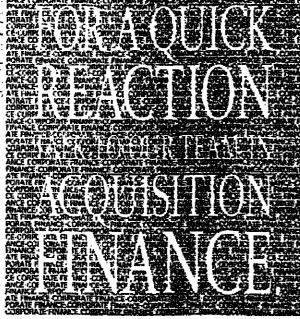
95.0

		360-5	1300	2	1387/135
	LLEE Closing SPOT: 1.973	C/S rate:	3 mon	the: 1.9	476
i) for				-	
	LONDON BE		AKET		
pone	Gold (fine co) S price		2 equiv	alent
	Close	395 4 - 396		200 4,-2	
	Opening Morning fix Afternoon to Day's high	394-14-395 ¹ 394-90 1 397-00 397 ¹ 2-396	· .	200-200 200-000 201-054	_
	Day's low	39412-395			
9000	Coins	\$ price		equiv	
_	Mapleleaf Britannia	404-409 404-409	- 2	044-2 044-2	07%
_	US Engle Angel Krugerrand	404-409 404-409 395-398	2	204 4 -2 204 4 -2 200-202	
	New Sov. Old Sov.	94-95 94-96	- 1	1732-48 1732-48	2
point	Nobie Plat	455.85-462	.65 2	7 1 <u>5</u> -48 290.70-2	24.35
_	Silver tix	p/fine oz		LS des	aculy
	Spot	239.10		69.25	
	3 months 6 months	246.15 253.80	4	78.80	
	12 months	268.66	5	07.05	
Office	TRADED OF	TOMS			
_					
	Collee	Nov	Jan	Nov	Jan
	550 600	51 12	72 39	1 12	8 25
	650	1	19	51	55
	Cones	Dec	Mer	Dec	Mar
_	650 700 750	24 10	98 68 46	41 77	28 48 76
p/kg					
	Breat Crude	Nav	Dec	Nov	Dec
	3550 3600		420 420		

3140		90-110 45-55	6160-70	8.46	3 lots	_
				bal daily tu		
1371	18	71-3		,		_
352		82-3	1355-8	19,70	12 lots	. 5
						L
	_ 6 m	enths: 1.9	232	9 1100	ths: 1.9039	·
						S
						D
	N.	w Y	'ark			_
_	146	1	UIK			9
-	80 LD	100 troy	oz.; S/troy o	2.		
	_	Close	Previous	High/Low		
	Oct	389.7	394.9	395.4	367.0	
	Nov	391.7	396.9	0 402.2	0	Ĵ
	Dec Feb	394.0 398.2	399.3 403.4	402.2 406.0	388.0 393.0	S
	Apr	402.2	407.3	409.7	398.0	ĭ
_	Jun	408.5	411.4	406.0	403.0	_
_	Aug Oct	410.5 414.7	415.3 419.5	416.1 0	416.0 0	ē
-	Dec	419.0	423.8	425.5	420.5	=
						_
	===		oy oz; \$/bro			N
	PLAII			<u></u>		· J
		Close	Previous	High/Low	441.0	. 0
	Oct	439.7 445.9	444.9	447.5 455.0		_
	Jan	439.7 445.2 450.8	448.4 454.1	455.0 458.0	444.5 453.1	_
	Jan Apr Jul	445.2 450.8 456.1	448.4 454.1 469.5	455.0 458.0 483.0	444.5 453.1 455.0	ċ
_	Jan Apr	445.2 450.8	448.4 454.1	455.0 458.0	444.5 453.1	_
-	Jan Apr Jul	445.2 450.8 456.1	448.4 454.1 469.5	455.0 458.0 483.0	444.5 453.1 455.0	_
-	Jan Apr Jul Oct	445.2 450.8 456.1 461.5	448.4 454.1 469.5 466.0	455.0 458.0 483.0 488.4	444.5 453.1 455.0	(C)
- -	Jan Apr Jul Oct	445.2 450.8 456.1 461.5 R 5,000 tr	448.4 454.1 469.5 466.0	455.0 458.0 483.0 468.4	444.5 453.1 455.0	C 100
-	Jan Apr Jul Oct	445.2 450.8 456.1 461.5 R 5,000 tr	448.4 454.1 459.5 465.0 Oy oz; cents	455.0 458.0 483.0 483.4 469.4 Litroy 62.	444.5 453.1 455.0 468.4	(C)
-	Jan Apr Jul Oct SR_VE	445.2 450.8 456.1 461.5 R 5,000 tr Close	448.4 454.1 469.5 466.0	455.0 458.0 468.4 468.4 468.4 465.0 6	444.5 453.1 455.0 468.4 486.0 0	
-	Jen Apr Jul Oct SRLYE Oct Nov Dec	445.2 450.8 456.1 461.5 R 5,000 tr Close 459.8 461.1 465.0	448.4 454.1 469.5 466.0 Previous 467.0 488.9 472.8	455.0 458.0 468.4 468.4 468.4 High/Low 465.0 0 475.0	444.5 453.1 455.0 468.4 466.0 0 463.0	CIODM
-	Jan Apr Jul Oct SRLYE Oct Nov Dec Jan	445.2 450.8 456.1 461.5 R 5,000 tr Close 459.3 461.1 465.0 467.1	448.4 454.1 469.5 466.0 Oy OZ, Cards Previous 467.0 468.9 472.8 475.0	455.0 458.0 483.0 488.4 High/Low 465.0 0 475.0 471.0	444.5 453.1 455.0 468.4 486.0 0 463.0 463.0	
- -	Jan Apr Jul Oct SRLYE Oct Nov Dec Jan Mer	445.2 450.8 456.1 461.5 R 5,000 tr Close 459.8 461.1 485.0 467.1 474.9	448.4 454.1 459.5 465.0 Oy oz; cents Previous 467.0 468.9 472.8 472.8 482.9	455.0 458.0 488.4 488.4 468.4 465.0 0 475.0 485.0	444.5 453.1 455.0 468.4 485.0 0 463.0 473.5	CIODM
- -	Jan Apr Jul Oct SRLYE Oct Nov Dec Jan	445.2 450.8 456.1 461.5 R 5,000 tr Close 459.3 461.1 465.0 467.1	448.4 454.1 469.5 466.0 Oy OZ, Cards Previous 467.0 468.9 472.8 475.0	455.0 453.0 453.0 463.4 463.4 465.0 0 475.0 475.0 485.0 485.0	444.5 453.1 455.0 468.4 466.0 0 471.0 473.5 480.0 480.0	
- -	Jan Apr Jul Oct SRLYE Oct Nov Dec Jan Mer Mer Mer Mer Mer Mer Mer Mer Mer Mer	445.2 450.8 456.8 456.5 461.5 Close 489.3 461.1 485.0 487.1 474.9 481.5 488.5	448.4 459.5 466.0 Previous 467.0 467.0 472.8 472.8 472.9 489.6 498.5 573.8	455.0 453.0 469.4 469.4 469.4 465.0 0 475.0 471.0 485.0 495.0 495.5 502.0	444.5 453.1 455.0 468.4 468.4 468.0 473.0 473.5 480.0 488.0 488.0 488.0	
-	Jan Apr Jul Oct SRLVE Cet Nov Dec Jan Mar Jan Mar Jan Sep Dec	445.2 456.1 456.1 461.5 R 5,000 tr Close 459.3 461.1 485.0 487.1 474.9 481.5 485.3 485.3 485.5 505.8	448.4 459.5 466.0 Previous 467.0 488.9 472.8 475.0 482.9 489.6 489.5 514.0	455.0 453.0 469.4 469.4 465.0 6 475.0 477.0 485.0 485.0 485.0 485.0 485.0 485.0 485.0 485.0	444.5 453.0 458.4 468.4 468.0 0 463.0 471.0 480.0 480.0 481.0 494.5 505.0	
-	Jan Apr Jul Oct SRLYE Oct Nov Dec Jan Mer Mer Mer Mer Mer Mer Mer Mer Mer	445.2 450.8 456.8 456.5 461.5 Close 489.3 461.1 485.0 487.1 474.9 481.5 488.5	448.4 459.5 466.0 Previous 467.0 467.0 472.8 472.8 472.9 489.6 498.5 573.8	455.0 453.0 469.4 469.4 469.4 465.0 0 475.0 471.0 485.0 495.0 495.5 502.0	444.5 453.1 455.0 468.4 468.4 468.0 473.0 473.5 480.0 488.0 488.0 488.0	
-	Jan Apr Jul Oct SRLVE Cet Nov Dec Jan Mar Jan Mar Jan Sep Dec	445.2 456.1 456.1 461.5 R 5,000 tr Close 459.3 461.1 485.0 487.1 474.9 481.5 485.3 485.3 485.5 505.8	448.4 459.5 466.0 Previous 467.0 488.9 472.8 475.0 482.9 489.6 489.5 514.0	455.0 453.0 469.4 469.4 465.0 6 475.0 477.0 485.0 485.0 485.0 485.0 485.0 485.0 485.0 485.0	444.5 453.0 458.4 468.4 468.0 0 463.0 471.0 480.0 480.0 481.0 494.5 505.0	C C C C C C C C C C C C C C C C C C C
-	Jen Apr Jul Oct SRLYE SRLYE Dec Jen Mer Mer Mer Jen Dec Jen Dec Jen	445.2 456.1 456.1 461.5 R 5,000 tr Close 489.3 481.1 485.0 487.1 474.9 481.5 488.3 485.3 505.8 505.8	448.4 459.5 466.0 Previous 467.0 488.9 472.8 475.0 482.9 489.6 489.5 514.0	455.0 458.0 469.4 469.4 465.0 0 475.0 475.0 485.0 485.0 807.0 0	444.5 453.1 455.0 468.4 468.4 468.9 471.0 488.0 471.0 488.0 471.0 488.0 0	C C C C C C C C C C C C C C C C C C C
- - -	Jen Apr Jul Oct SRLYE SRLYE Dec Jen Mer Mer Mer Jen Dec Jen Dec Jen	445.2 456.1 456.1 461.5 R 5,000 tr Close 489.3 481.1 485.0 487.1 474.9 481.5 488.3 485.3 505.8 505.8	448.4 459.5 465.0 Oy O.Z. camb Previous 467.0 487.0 487.0 489.6 499.6 499.6 511.0 517.2	455.0 458.0 469.4 469.4 465.0 0 475.0 475.0 485.0 485.0 807.0 0	444.5 453.1 455.0 468.4 468.4 468.9 471.0 488.0 471.0 488.0 471.0 488.0 0	O D M
-	Jen Apr Jul Oct SRLVE Oct Nov Dec Jen Mary Jen High	445.2 456.1 456.1 451.5 R 5,000 tr Close 459.3 461.1 465.0 467.1 474.9 481.5 488.3 485.3 505.8 505.8 GRADE C	448.4 459.5 465.0 Oy O.Z. camb Previous 467.0 487.0 487.0 489.5 475.0 489.5 499.5 511.0 517.2	455.0 458.0 469.4 469.4 465.0 0 475.0 475.0 485.0 485.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	444.5 453.1 455.0 468.4 468.4 468.9 471.0 488.0 471.0 488.0 471.0 488.0 0	C C C C C C C C C C C C C C C C C C C
-	Jen Apr Jul Oct SRLYE SRLYE Dec Jen Mer Mer Mer Jen Dec Jen Dec Jen	450.2 450.1 450.1 451.5 R 5,000 tr Glose 459.3 461.1 465.0 467.1 474.5 485.3 485.5 505.8 505.8	448.4 459.5 466.0 Previous 467.0 458.9 475.0 482.9 472.8 482.9 514.0 S17.2 OPPER 25.1	455.0 458.0 458.0 469.4 469.4 465.0 0 476.0 476.0 476.0 486.0 486.0 602.0 607.0 0 131.00 125.55	444.5 453.1 455.0 468.4 468.4 468.4 468.0 468.0 473.5 480.0 480.0 480.0 0 123.50	O D M
-	Jan Apri Apri Apri Apri Apri Apri Apri Apri	445.2 456.1 456.1 456.1 461.5 R 5,000 tr Close 489.3 481.1 485.3 485.3 485.3 505.8 505.8 Close 129.00 123.00 123.00 123.10 118.10	448.4 459.5 465.0 Previous 467.0 467.0 467.0 467.0 467.0 469.5 475.0 489.5 496.5 513.8 514.0 517.2 Previous 190.50 125.85 120.65	455.0 458.0 458.0 469.4 465.0 0 475.0 475.0 475.0 485.0 0 000 lbs; cen High/Low 131.00 125.55	444.5 453.1 455.0 458.4 455.0 468.4 468.4 473.5 480.0 480.0 480.0 480.0 0 124.00 0 123.50 117.80	O D M
-	Jan Apri Apri Apri Apri Apri Apri Apri Apri	445.2 450.3 456.1 451.5 451.5 451.5 461.1 485.0 467.1 474.9 481.5 485.5 505.8 505.8 GRADE C Close 129.00 123.35 118.10	465.4 459.5 465.0 97 OZ, Carita Previous 467.0 465.9 472.8 472.8 472.8 482.9 482.9 482.9 482.5 514.0 517.2 Previous 190.50 125.85 120.55 120.55 120.55 127.55	455.0 458.0 458.0 468.4 468.4 468.4 465.0 476.0 476.0 476.0 476.0 486.0	444.5 453.1 455.0 468.4 468.4 468.0 0 463.0 471.0 471.0 471.0 471.0 488.0 0 123.50 117.80 123.50 117.80	C D M M M M M M M M M M M M M M M M M M
	Jan Apri Apri Jul Oct SRVE Sav Jan Mar Mar Mar Mar Mar Mor Nov Dec Jan Nov Dec Jan Mar Mor Dec Jan Mar Mor Dec Jan Mar Mor Dec Jan Mor Mor Mor Mor Mor Mor Mor Mor Mor Mor	450.2 450.3 450.1 451.5 R 5,000 tr Glose 459.3 461.0 465.0 467.1 474.9 481.5 488.5 505.8 508.8 GRADE C	448.4 459.5 466.0 Previous 457.0 458.0 472.8 472.8 472.8 472.8 514.0 517.2 Previous 190.5 190.5 190.5 117.8 113.05	455.0 458.0 458.0 469.4 469.4 465.0 0 476.0 477.0 477.0 485.0 485.0 485.0 485.0 100 lbs; cen 131.00 125.55 121.50 117.80	444.5 453.1 455.0 458.4 455.0 468.4 468.4 473.5 480.0 480.0 480.0 480.0 0 124.00 0 123.50 117.80	O D M
-	Jan Apri Apri Apri Apri Apri Apri Apri Apri	445.2 450.3 456.1 451.5 451.5 451.5 461.1 485.0 467.1 474.9 481.5 485.5 505.8 505.8 GRADE C Close 129.00 123.35 118.10	465.4 459.5 465.0 97 OZ, Carita Previous 467.0 465.9 472.8 472.8 472.8 482.9 482.9 482.9 482.5 514.0 517.2 Previous 190.50 125.85 120.55 120.55 120.55 127.55	455.0 458.0 458.0 468.4 468.4 468.4 465.0 476.0 476.0 476.0 476.0 486.0	444.5 453.1 455.0 468.4 468.4 468.4 473.5 480.0 473.5 480.0 473.5 480.0 0 123.50 117.80 115.00 1115.00	C D M M M M M M M M M M M M M M M M M M
-	Jan Apr Jul Oct SR.VE	450.2 450.3 450.1 451.5 R 5,000 tr Glose 459.3 461.1 465.0 467.1 474.9 485.5 505.8 505.8 505.8 505.8 505.8 505.8 505.8 505.8 505.8 505.8 505.8 505.8 505.8 505.8 505.8	448.4 459.5 465.0 Previous 467.0 487.0 487.0 487.0 487.0 489.5 475.0 489.5 514.0 517.2 Previous 190.50 125.65 117.65 111.60 1110.00	455.0 458.0 458.0 469.4 469.4 465.0 0 476.0 476.0 476.0 485.0 485.0 485.0 0 100 lbs; cen High/Low 131.00 125.55 121.50 117.80 133.30 0 110.80 0	444.5 453.1 455.0 468.4 468.4 468.4 468.9 471.5 480.0 481.0 123.50 0 123.50 117.80 115.00 1111.00 9 108.50 0	CC CO DAM M. J. CC
-	Jan April Jul Oct SRLVE	450.2 450.1 450.1 451.5 R 5,000 tr Glose 489.3 481.1 485.0 487.1 481.5 486.5 505.8 505.8 GRADE C Close 129.00 110.90 110.90 109.45 107.90	448.4 459.5 469.5 469.5 469.5 469.5 472.8	455.0 458.0 458.0 469.4 469.4 465.0 476.0 477.0 485.0 486.5 602.0 507.0 0 125.65 121.50 117.80 110.80	444.5 453.1 455.0 468.4 468.4 468.0 468.0 473.5 488.0 473.5 488.0 123.50 117.80	CC CO DM MM J. CO DM DM J. CO DM J. CO DM DM J. CO DM DM J. CO DM DM J. CO

					-			
Nov Mar	10685 9500	10295 · 9257	775 9567	615 9480	SOYA	REAN OR	60,000 lbs;	ronte/ih
May	8747	9497 8447	D 9001	9480	40	Gloss	Previous	
Jun	8500	8247	8547	8500				High/Lo
Jul	8381 8400	8157 8207	8457 8507	634B 8507	Oct Dec	22.50 22.80	22.53 22.79	22.57 22.90
Au≘	9400		0307	83U/	. Jen	23.10	23.08	23.20
					Mer	23.50	23.46	23.70
COCO	A 10 tons	iennari 4,89r	•		May	23.85 24.08	23.82 24.05	23.92
	Close	Previous	High/Low		- Jus Aug	23.96	23.95	24.10 23.96
Dec	1214	1251	1250	1212	Sep	23.73	23.70	23.75
Mar	1268	1304	1290	1212 1266				
May	T297 1337	1335 1367	1332 1348	1295 1337	SOYA	BEAN ME	AL 100 tons;	\$/1001
Sep	1354	1397	1364	1364		Close	Previous	High/Los
Dec	1395	1438	1429	1427	Oct	191.0	191.8	191.7
Mar	1420	1463	0	0	Dec	194.3	194.7	195.2
					Jen Mer	195.6	105.7 197.7	196 5 196.0
~	E ~~ 37	,500lbs; ca	eta Alba		May	197.0 196.8	197.7	197.5
-	Ciose	Previous			- Jul	196.9	197.2	197.3
			High/Low		- Aug Sep	194.5 188.0	195.2 188.5	194.5 188 0
Dec Mar	93.45 96.80	93.70 97.10	94.50 97.80	93.35 96.80	aep	100.U	190-3	100 0
May	38 00 Acrem	99.25	0.00	99.00	HAIZ	5.000 bu	min; cents/5	Alb bushe
ابال	100.80	101.25	101.60	100.80		Close	Previous	High/Los
Sep Dec	102.80	103.25 106.40	103.80 108.75	102.80 106.75				
Mar	108.7S	108.50	0.75	0	Cec	234/2 243/2	234/0 242/6	235/0 243/8
			•	•	May	249/0	245/4	249/6
					Jul	253/2	252/0	253/4
BUGA	R WORLD	-11- 112,0	00 lbs; cent	ta/ibs	Sep	249/4	249/0 251/6	250/0 252/4
	Close	Provious	High/Low			2024	2340	23214
Mar	9.95	10.15	10.20	9.89	WHEA	T 5.000 bu	min; contact	Mh-humha
May	9.92 9.90	10.15	10.22 10.21	9.91		Close	Previous	High/Lov
Jul Oct	9.90	10.16 10.20	10.21	9.90 9.92			• • • • • • • • • • • • • • • • • • • •	
Mar	9.95	10.30	0	0	Dec Mar	278/4 28:V2	279/2 292/2	280/0 293/4
					May	239/4	299/0	300/4
					Jul	303/4	301/4	303/4
COTTO	30,000	cents/lbs			Sep	307/4	305/4	0
	Close	Previous	(High/Low					
Oct	72.96	73.20	73.50	73.60	LIVE C	ATTLE 40	OCO lbs; can	ts/ibs
Dec	73.43	73.76	74,40	73.38		Close	Previous	High/Lov
Mar May	74,18 74,56	74.52 75.20	75.00 75.35	74.16 74.70	Oct	79.57	79.52	79.87
Jul	74.75	75.10	75.35	75.00	Dec	76.75	78.57	77.07
					Feb	74.75	74.62	75.05
					Apr Jun	75.57 73.20	75.47 73.12	75.85 73.35
ORANG	ie juice	15,000 lbs;	CONTRA TOR		Aug	71.50	71.45	71.62
	Close	Previous	High/Low		_			
Nov	132 20	137.25	138.50	132.00	LIVE	005 30 0	00 fb; cents/l	he -
Jen	131,25	135.25	138.20	130.25				
Mar	133.00	135.60	138.50	130.60		Cicee	Provious	High/Lov
May Jul	132.50 132.50	136.00 136.00	136.00 136.50	131.00 133.50	Oct Dec	68.72	55.92	57.20
Jui	63E30	KSG.SU	4,00.00	130.30	Feb	54.67 51.77	54.35 51,47	55.15 52.00
					Apr	48.22	47.87	52.00 48.70
BEDE					Jun	52.25	51.80	52.47
				———I	Jan .	52.35	52.00	52.50
REUT	ERS (Bes	e: Septemb	er 18 1931	= 100)	Aug	50.70	50.6D	50.80
i —	Oct 9	Oct 8	math ago	yr ago				
I —	1750.4	1744.1	1827.2	1857.1	PORK	BELLES -	10,000 lbs; co	onta/lb
						Close	Previous	High/Low
DOW.		Base: Dec. S	31 1974 = 1	(00)	<u></u>			
1	Oct 8	Oct 5	mnth ago	yr ago	Feb Mer	64.45 64.17	64 45 64,25	65.20 64.82
Spot	129,40	129,76	129.53	129.31	Mey	63.82	63.55	64.15
Future		130.60	133.84	129.77	Jul	62.90	62.17	63.25





Last March, The British School of

Motoring put us to the test.

The management team required
£25.5 million of Senior Debt finance

for their proposed buy-out.

And time, as always, was tight.

Yet, reacting at great speed, we completed the deal with a marathon thirty-six hour session that ended on Good Friday morning.

rounded off with the successful syndi-

cation being 55% over-subscribed.

How then, you may ask, did we turn it round so quickly?

We have a team of thirty expert personnel who work with the very latest information technology.

These resources ensure that we can structure most offers within three days. deal and handle the personal financial requirements of the management at the same time.

If you'd like to know more about the way in which we work, Theo van Hensbergen on 071-920 5234 will be pleased to put you in touch with one of the team. Give him a call and we'll get straight to you.



NATIONAL WESTMINSTER BANK PLC, REGD. OFFICE, 41 LOTHBURY, LONDON, EC2P 28P. MEMBER OF IMRO.

LONDON STOCK EXCHANGE

Oil price sends shares sharply lower

RISES IN crude oil prices, in response to heightened ten-sions in the Middle East, proved the final blow yester-day for a UK stock market already having second thoughts on the implications of Britain's full EMS participation and the accompanying cut in interest rates. Renewed selling by institutions gathered pace as Brent oil for November delivery topped \$40 a barrel and Wall Street opened the new session with a sharp fall

in the Dow Average.

Share prices started the day with widespread losses following some fairly negative com-

Accou	nt Dealing	Dates
Tiest Dealings Sep 34	Oct 8	Oct 22
Oct 4	Oct 16	Nov 1
Leaf Deafinger Out 5	Öct 18	Nov 2
Ampount Days Oct 15	Oct 29	Nov 12
There dend dead	lege may lede History dest, o	place being office

into the European exchange rate mechanism. Several secu-rities houses reaffirmed concern over the level of the pound's entry, and downgraded some leading oversees carning stocks

Both domestic and foreign institutions came in to sell stock, and some trading houses

made the mistake of assuming that the investment funds would try to buy the stock back later at lower prices, as some had done on Monday.

However, concern over the violent clashes between Israeli troops and Palestinians in

Jerusalem drove oil prices upwards. The market was fur-ther alarmed by a report in a London newspaper that Iraq might be close to producing nuclear weapons, and then by newsagency reports that Rus-sian oil output was falling rap-

losses in fairly brisk activity with Seaq trading totals boosted by a handful of large

deals. Towards the end of the session, London elected simply to follow the trends of crude oil

and Wall Street stocks.

At worst, the FT-SE Index was nearly 70 points down and there was no substance to an attempted rally which left the Footsie at a closing level of 2,134.1, down 67.5 on the day but still 95 points higher than immediately prior to the ERM announcement last Friday

shares, below the near-record Libn of the previous session, but substantially higher than some recent daily totals. However, yesterday's figure took in placings of 102m shares

in Cadbury Schweppes, double-counted on Seaq, and 29.8m in De La Rue.

While the jump in oil prices, which boosted the oil share sector, was the main depressant in the market, there were other bearish factors closer to

ICI shares, also hit by the oil price, tumbled heavily to close with a net fall of several pence against its level last Thursday, despite the general rise in the market since then. The stock has been downgraded by BZW, and is widely regarded as also being vulnerable both to recessionary pressures in the UK and to the strength of the sterling DM rate.

less than the market, closing 6% off at 284p on a heavy turn-over of 11m shares, buoyed by the possibility that the remaining government-held shares would eventually be sold off. Racal was down 9 to 159p

after profit-taking and nervou ness over the economy, while GEC retreated 11 to 188p on the back of fears of lower investment income next year com-bined with the effect of a strong pound. The group does about a third of its business Scantronic, the security

group, fell sharply by 41 to 73p after a warning that if recent conditions continued, first-half profits would be at a similar level to that achieved last year. The announcement that International Leisure Group was not going to renew its contract next summer with Dan Air, the airline owned by Davies & Newman Holdings, heavily depressed Davies shares, which plunged 130 to

News that British Steel had reopened talks over taking a 45 per cent stake in Aristrain, the family-owned Spanish steel family-owned Spanish steel company, prompted a heavy turnover of 6.5m. There were, however, mixed feelings about the prospects of British Steel cash being tied up during an economically tight period and the shares eased 5 to 124p.

A profits warning knocked back Cronite 8 to 35p.

back Cronite 8 to 35p.
Early reports that ADT had sold more of its stake in BAA to finance the latest purchase of LEP shares were later discounted and analysts put the fall of 16 to 405p down to read-justment after Monday's rise. LEP proved to be one of the

very few rising issues on the

FINANCIAL TIMES STOCK INDICES (9/1/35) (3/1/75) 26.14 88.50 26.50 26.53 26.49 **33.50** (30/4) (28/11/47) (3/1/75) 1510.4 (24/9) 2008.6 167.8 734.7 43.5 (15/8) (15/2/83) (26/10/71) 1990.9 2483.7 986.9 (28/9) (3/1/90) (23/7/84) 2134.1 2201.8 2143.9 2070.4 Ord. Div. Yield Saels 100 Govr Secs 15-10/26, Fixed Int. 1 Onlinery 1/7/26, Oold minns 12:1756. deals FT-SE 100 51/12/63. 4 MR 9 78 12.05 10.05 SEAQ Bergns 4.45pm Equity Turnover(5m)† Equity Bergalos† 54,547 19,738 17,261 **GILT EDGED ACTIVITY** Oct 8 Day's Low 1659 8 Ordinary Share Index, Hourty ch Day's High 1685.5 Open 9 am 70 am 111 am 12 pm 1 pm 2 pm 3 pm 4 pm 1681.6 1678.0 1680.4 1683.6 1687.9 1649.3

Day's, High 2179.0

Day's Low 2133.0 Open 9 am 10 am 11 am 12 pm 1 pm 2171.7 2171.8 2161.0 2157.7 2153.8 2148.7 London report and latest

Cadbury shares placed

GENERAL CINEMA finally managed to sell the bulk of its 16.7 per cent investment share-holding in Cadbury Schweppes yesterday. Barciays de Zoete Weld and Cazenove took 102m shares on to their books and then placed them with institu-tions at 309p. General Cinema kept 13.2m of its stake to cove a debenture convertible into

General Cinema acquired the stake in Cadbury in January 1987 and added to it in the wake of the 1987 stock market crash. While General Cinema's hopes for the Cadbury manage-ment were fulfilled, it was disappointed with the absence of

Analysts said General Cinema made several attempts to sell its share interest, most recently at 350p. There were suggestions that an attempt to sell at 315p had been made late on Monday but the market's decline forced it to cut the asking price to below 2090. Cadbury closed 23 lower at

812p on a turnover of 250m. With hopes for a bid in the food manufacturing sector fad-ing, United Biscuits declined 15 to 312p and Ranks Hovis McDongall fell 18 to 295p.

Maxwell sells stake The other large placing of the day involved shares of specialist printer De La Rue. Nearly 80m were placed with a number of investment institutions by Smith New Court at 248p a share, from Maxwell Communication which indicated last cation, which indicated last week that the holding of around 21.5 per cent was up for

completed the business during a particularly weak session—the discount was believed to be only about 10p a share on the omy about the a state of the prevailing price — emphasised the market's underlying appetite for quality stocks. Smith also claimed that the issue was oversubscribed.

Ms Christ Munro of Hoare County said that an oversub-

Govett said that an oversubscription came as no surprise to her. "With above average earnings growth forecast and increasing confidence in the restructuring programme, the shares of De La Rue look undervalued," she added. As news of the placing filtered through to the market, the shares reacted to close at 254p,

down 9.

General fears over the effects on ICI of the rise in oil prices and adverse currency movein spite of some uncertainty abead of the trading statement expected today, shares in Amstrad, the constanct electronics group, held on to their recent recovery in a generally weak equity market. Brokerage analysis expect profits for the year to fall by about 44 percent, but the shares outperformed the market yesterday, falling only 2 to 53p in brisk trading of 2.3m shares. The group has stood out strongly group has stood out strongly in a consumer sector expected to benefit from further reductions in UK interest rates before the end of this year.

ments were given an extra kick by a downgrading of 1990 and 1991 profits forecasts. The shares plummeted 48 to 834p on a 2.4m turnover.

BZW revised its forecasts from £1.2bn to £1.06bn and from £1.17bn to £930m respec-tively. It said it was particu-larly concerned about the commodity chemicals sector -petrochemicals and plastics which it expected to see an 82 per cent drop in profits this

press over (Mazo's new anti-mi-graine drug Emigram added to the concern about the group's overseas earnings and the shares shamped 44 to 773p on trading volume of 3.2m. Reckitt & Colman lost a

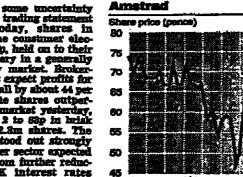
large chunk of Monday's gain, dropping 38 to 1274p.

The decision by the County Hall Development Group (CHDG) to appoint a receiver sent a shudder through the groperty sector. A delay in ach-leving a successful purchase agreement with the London agreement with the London Residuary Body on the £1.5bn redevelopment scheme for the headquarters of the former

Greater London Council was seen as the principal cause behind the failure.

The listing of London & Met-ropolitan, which has a £2.2m investment and approximately 24.5m of guaranteed obliga-tions in CHDG, was suspended at 8p. The suspension was made pending clarification of its financial position. New England Properties, with just a 2.8 per cent involvement, slipped 3% to 10%p. The latter also announced starply lower profits for the half year of £968,000, down from £2.17m, and pointed out that the losses sustained through CHDG would not be reflected until the second-half figures.

second-half figures.
Other concerns affected by
the collapse included BICC, the electrical cable and equipment



company, which fell 22 to 363p as a result of its 12.2 per cent as a result of its 12.2 per cent stake, and also reflecting a profits downgrading by BZW. TR Property Investment Trust, which holds 10.4 per cent, lost 4% to 29%p, while Edinburgh Investment Trust (7.9 per cent) shed 7% to 191p.

Building shares were pulled lower as the builtish effects of

lower as the bullish effects of ERM entry and lower interest rates evaporated. Most leading stocks were still well ahead of the levels prevailing before last Friday's double announcement, and the lack of fresh momentum encouraged investors to take profits.

There was also a tendency to favour companies with a high proportion of UK earnings folproportion of UK earnings tol-lowing a more cautious appraisal of overseas profits in the light of sterling's recent strength. However, there was insufficient interest to prevent nearly every leading share fin-ishing on the down side.

EMC fell 18 to 635p and Tar-mac shed 10 to 247p. Steetley lost 25 to 375p, while Higgs and Hill retreated 19 to 292p. Bank shares joined in the general retreat, and also showed some disappointment as the market started to accept that the next cut in UK base rates may not necessarily be just round the corner. Among leading stocks, Bar-clays lost 15 to 390p with 7.1m shares traded, while Standard

Life insurers were equally depressed; Legal and General ended 12 down at 409p and Royal Insurance closed 26 lower at 398p.

The recent gains of many miscellaneous industrial leaders were eroded in trading described as a pale shadow of the previous day. Trafalgar House fell 16 to 1999, Bowater dipped 18 to 455p and ECC lost 19 to 325p.

Cookson succumbed to

renewed selling pressure and lost 7 to 72p, while Williams Holdings gave up 15 at 21p and MB Group shed 10 to 157p. Wassall weathered the storm owing to a sector analyst's first choice buy recommendation. However, the best the shares could do was remain at the overnight level of 131p.

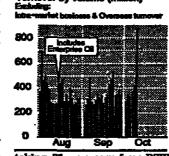
overnight level in 13th.

Brent Walker followed the market down, although the company said that negotiations had reached an advanced stage for the sale of a substantial part of the Goldcrest operation to the management of Goldcrest. These are expected to be finalised soon, and posting of the circular and listing particulars of the £103m convertible capital bond issue will be delayed to enable details of the Goldcrest transaction to be included. Brent shares ended

12 lower at 97p. BZW published the first post-ERM assessment of the brew-ery sector, but it had little affect. Share prices were bent on following the wider market down and all leading stocks encountered bouts of profit-FT-A All-Share Index

1050 1000 \$ **Equity Shares Traded**

Turnover by volume (million)



trading volume in major stocks

day, closing 6 up at 173p. The steady rise in Eurotun-nel was halted. It was thought that investors, who had been holding or buying the stock until the refinancing package was announced, took the opportunity to sell and pushed the price back 23 to 450p. 116p. Last week's downgradings returned to haunt Lex Ocean Group, the diversified industrial services conglomerate, held up against the general gloom. Steady buying lifted the shares to 325p. Dealers said it was not whipped up by ERM embusiasm.

Motor component issues experienced pain as BZW claimed that they would be short-term losers, in spite of the longer term European sta-bility offered by ERM entry, because of "high overseas exposure and most debt over-

FT-BE, Hourly changes

demand will be the overriding factor in 1991, added the investment bank. Dowty was hit hard and fell 19 to 172p, while Lacas Industries dropped 11 to

Service, down 12 at 183p. Property shares retreated as part of the general market reaction. Trading volume was down on the last few days as many investors awaited fresh developments. One trader also pointed out that some shares had risen to near a 25 per cent discount in relation to their net asset value, rather than the 30 to 35 per cent more readily

accepted.

British Land lost 19 to 257p,
while Hammerson 'A' still reflected concern about erosion

10 to 530p. Land Securities fell 22 to 467p and UK Land gave

up 10 to 105p. S&U Stores, the retail credit and television rental concern, announced an increase in interim dividend to 2p from 1.5p as profits rose to £1.67m from £1.07m. The shares closed 7 firmer at 92p.

the market activity, respond-ing to the renewed strength of crude oil prices. BP finally recorded a marginal loss at 357%p after turnover of 15m. while Shell edged up to 462p on volume of 6.6m.

■ Other Market statistics. including the FT-Actuaries share index, Page 30

NEW HIGHS AND LOWS FOR 1990

PROGRAM Kenyon, Pacific Dunlop,
Pastisbal, Reuters, Statisbay, Stora "5"
Free, Rebusance 19 LESBush 20 PROPERTY
OF TEXTLES (1) TRANSPORT (6) PROPERTY
(10) CILS (2) OVERSEAS TRANSPORT (6) TRUSTS
(10) CILS (2) OVERSEAS TRANSPORT (6)

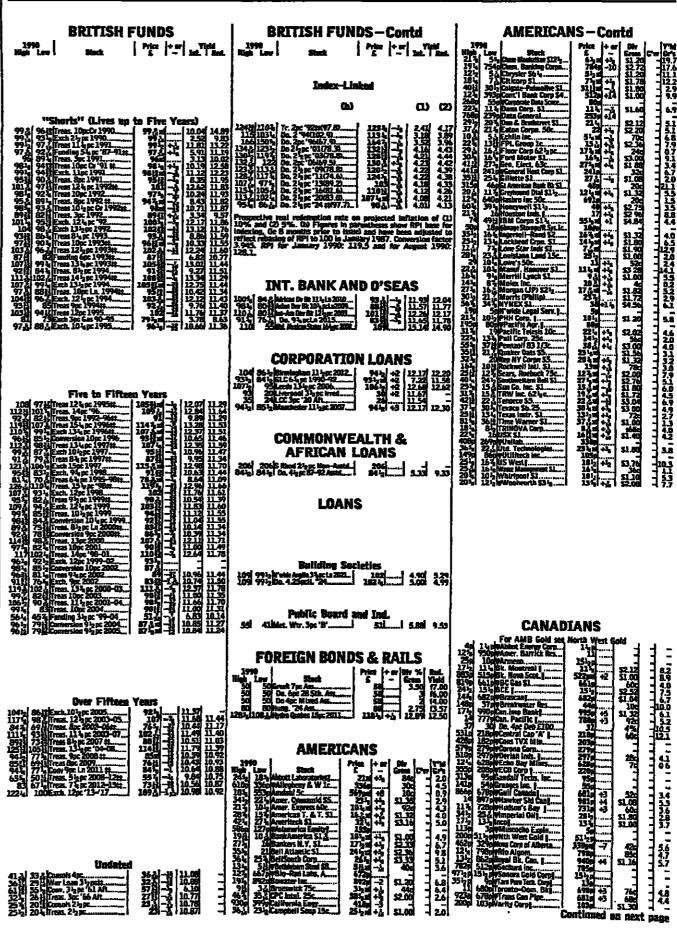
taking. The message from BZW was "stick with spirits" and the for this reason the inve ment bank favoured Allied-Lyons, down 24 at 467p, Guinness, 19 off at 734p, and Grand Metropolitan, which fell

Grand Metropolitan, which fell 16 to 573p.

Bass and Whithread, Monday's two high-filers, were rated holds only and the former reacted 17 to 1033p, while Whitbread "A" slipped 11 to 445p. Scottish & Newcastle was regarded a sell and the shares shed 9 to 353p. One or two regional brewers bucked the trend but closing gains were small.

Cable and Wireless dipped again to close 27 down at 420p following continuing worries about profit downgrades. British Telecom fell slightly

LONDON SHARE SERVICE



APPOINTMENTS

Top post at Sale Tilney.



finance director at Batners Group, has been appointed chief executive of SALE

m Mr Charles Berry has joined the group executive board of NORWEST HOLST in the new post of corporate development director. He was with

 Mr David G. Morris has been appointed to the new post of head of investment services of the BRISTOL & WEST BUILDING SOCIETY. He was chief executive of the Criterion

Assurance Group. The society says one of Mr Morris's first responsibilities will be the recruitment training and organisation of 150 investment consultants.

Mr Joe Raftery and Mr Manuel Miller have been appointed to the board of SECURITY PACIFIC INSURANCE GROUP. Mr Raftery remains chairman and chief executive of SP Insurance Services. Mr Millor, a non-executive director, is group chief executive of Toplis

w Dr Mike Ashley has been appointed managing director of POLYMARK LAUNDRY SYSTEMS, Banbury. He was executive director of Lodge-Cotterell, UK subsidiary of Dresser Industries Inc.

E Sir John Fairclough, recently chief scientific adviser to the Cabinet, has joined the board of THE OXFORD INSTRUMENTS GROUP as a non-executive director.

m Mr Stephen Midani, managing director of Actron UK, has been appointed to the main board of the parent company, ACTRON, Zurich.

ALBRIGHTON has appointed Mr Kenneth Scoble as a non-executive director. He was chief executive of Blackwood Hodge.

SCHLUMBERGER INDUSTRIES ELECTRICITY MANAGEMENT has promoted

Mr John Heathcock as director Intensifying of sales in Felixstowe. He succeeds Mr Tony Mahoney sales in the Paris office. management ■ YORKSHIRE BUILDING SOCIETY has appointed Mr

Colin Millar as general manager (marketing/sales). director of RACAL ELECTRONICS, has been He was marketing director at The Mortgage Corporation. Mr Michael Pugh has been

elected to the board of THE DE LA RUE COMPANY. He is managing director of Thomas De La Rue currency division. ■ ANZ GRINDLAYS BANK as appointed Mr Nick Alexander as senior manager marketing, private banking. management of the security businesses," which is the

COUNTY NATWEST INVESTMENT MANAGEMENT has appointed Mr Roger Bartley as chief investment officer. He joins from Deutsche Bank Capital Management (UK) where he was chief investment officer.

🗷 Sîr Paul Girolami, chairman of Glaxo Holdings, has been elected to the board of CREDITO FTALIANO INTERNATIONAL, UK merchant banking arm of Credito Italiano.

■ WILDING OFFICE EQUIPMENT has appointed Mr David Wilson as finance director. He was corporate planning and business development manager, Erskine

security group's ■ Mr Martin Richardson, a

appointed chairman and chief executive of the company's electronic security businesses, and chairman of the Racal-Guardall companies. He relinquishes responsibility for the Racal Radio Group, where he is succeeded by that group's deputy managing director Mr Geoffrey Bennett. The company says the moves have been made "to intensify the

largest single activity of the ■ Mr W.R. Davenport has been appointed managing director of the Davenport & Robinson division of BROWN SHIPLEY INSURANCE SERVICES. Davenport & Robinson was recently acquired by Brown Shipley Insurance Group

■ Mr Michael Adams, group corporate finance director of LM. GROUP, West Bromwich, has been appointed chairman of financial services subsidiary, I.M. Finance.

Mr David Stuart has been appointed marketing director designate of COLIN STEWART MINCHEM, Winsford,













LONDON SHARE SERVICE

Share Code Booklet ring the FT Cityline help deak on 071-825-2138 Banks, HP & Leasing ENGINEERING — Contd INDUSTRIALS (Miscel.) - Contd **ELECTRICALS** - Contd BUILDING, TIMBER, ROADS Pries - 245 - 33 - 100 - 117 56 -2 40 -1 | The content of the Contd | Stack | Stac 78 - 8 - 8 - 10 - 255 - 10 - 45 - 6 - 48 - 5 - 5 - 5 - 5 - 7 - 150 - 7 - 150 - 12 - 155 - 6 - 2 - 257 - 8 - 2 - 257 - 8 13 'y Blanco Billiao VIZ...
13 GRant Heland IriZ...
13 GRant Leanni (U.K.)...
100 Bant Scotland ...
100 Bant Scotland ...
100 Bant Scotland ...
290 Bart Grant Pr...
290 Bart Grant Pr...
290 Bart Grant Pr...
290 Bart Grant Pr...
298 Bart Gra FCOD, GROCERIES, ETC For Spectron set RAM | No. | 119 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 129 | 1 1995 Desische Br. Misso. 2 14-9 Espiritus Santo. 164 Priss Nat. Pia. 10p. p. 62 Pris C. 6 Joc. C. P. 63 Ji Pall Bank YSO. 26-200 Priss Bank YSO. 26-200 Priss Bank YSO. 19-9 Hambros 20p. p. 8500 p. 75 pc. C. Pr. y 32 Pik & Stary HSC 20, 7781 despiritus Besse Gr. p. 316 Prisson Besse Gr. p. **CHEMICALS, PLASTICS** 25 i Szandard Charrid, 1. o 25 i Szandard Charrid, 1. o 26 b Sonnitorno Bank Y50... 27 f Sonnitorno Bank Y50... 124 ISB Bank Chrol M. o 24 ISB Bank Chrol M. o 25 ISB Bank Chro M. o 25 ISB Bank Chrol M. o 25 ISB Bank Chrol M. o 25 ISB Ban 115. 126. 305 582 782 296 216. 119 228. 119 705 225 300 336 466 468 139 10 24 23 18 199 48 34 18 199 44 23 20 221 20 38 50 63 29 0.1152 10 17 81 95 10 26 95 45 10 26 95 10 Leasing, euc.

40 (185% 3.2218 1.9

55 -2 975 % 156 0.6 13.4

16+24 18137 3.5 6.6 3.9

64 ... 1358 1.9 7.4 9.2

408 +3 120.5 2.1 6.7 9.4

143 -7 195.8 7.9 1.6 10.6

185 2.4 5.8 9.7

165 ... 106.74 5.9 1.8 12.3 40(CLF Yeoman 50p... v 53(Cambridge Grp IrSp... 11 BCohtal Lesdon Ir 10p... 55(Cattle S Gidge) 10p... p 362[Prov. Financial ... p 14 Spitteffer Lovs. IrSp... 17 Spitter Trust Gr... in v BEERS, WINES & SPIRITS ES & SPIRITS

467-24 | 16.95 | 22 | 4.810.7 |
1933-17 | 282 | 23.34 | 10.2 |
1933-17 | 3.98 | 2.7 | 3.7 |
1404-3 | 3.98 | 2.7 | 3.7 |
1404-3 | 3.98 | 2.7 | 3.7 |
1404-3 | 3.98 | 2.7 | 3.7 |
1404-5 | 3.1 | 4.8 | 10.8 |
13.5 | 2.7 | 3.4 | 10.8 |
13.5 | 2.7 | 3.4 | 10.8 |
13.5 | 2.7 | 3.4 | 10.8 |
13.5 | 2.7 | 3.4 | 10.8 |
13.5 | 2.7 | 3.7 |
13.5 | 2.8 | 4.1 | 10.8 |
13.5 | 2.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | 3.7 | 3.7 |
13.5 | **DRAPERY AND STORES** | March | Marc - Albertowner Brewer 150cents (Matthew) 150cents (JAJ 50...) 15 Do 4.5pc Cr ZadPi... **HOTELS AND CATERERS** 56 33]sAberdeen Sik 5p. at 50 31 City Centre Res ... p 50 31 City Centre Res ... p 1 134 Coertyard Leis. 5p. y 302 2136 reiently Hotels 10s. p 46 134 Ferranary Leisure 5p y 190 110 Lurys Hotel ... of 49 27 Manten to Hotel 5s. p 120 80 Coures Mont 5p. p 120 80 Coures Mont 5p. p 125 7 Sik 5p. p 125 85 Sik 18 10 p ... p 125 85 Sik 18 10 p .. **BUILDING, TIMBER, ROADS** INDUSTRIALS (Miscel.) | 127 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128

PAR CCIORD

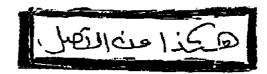
TO SECRETARY OF THE PROPERTY O

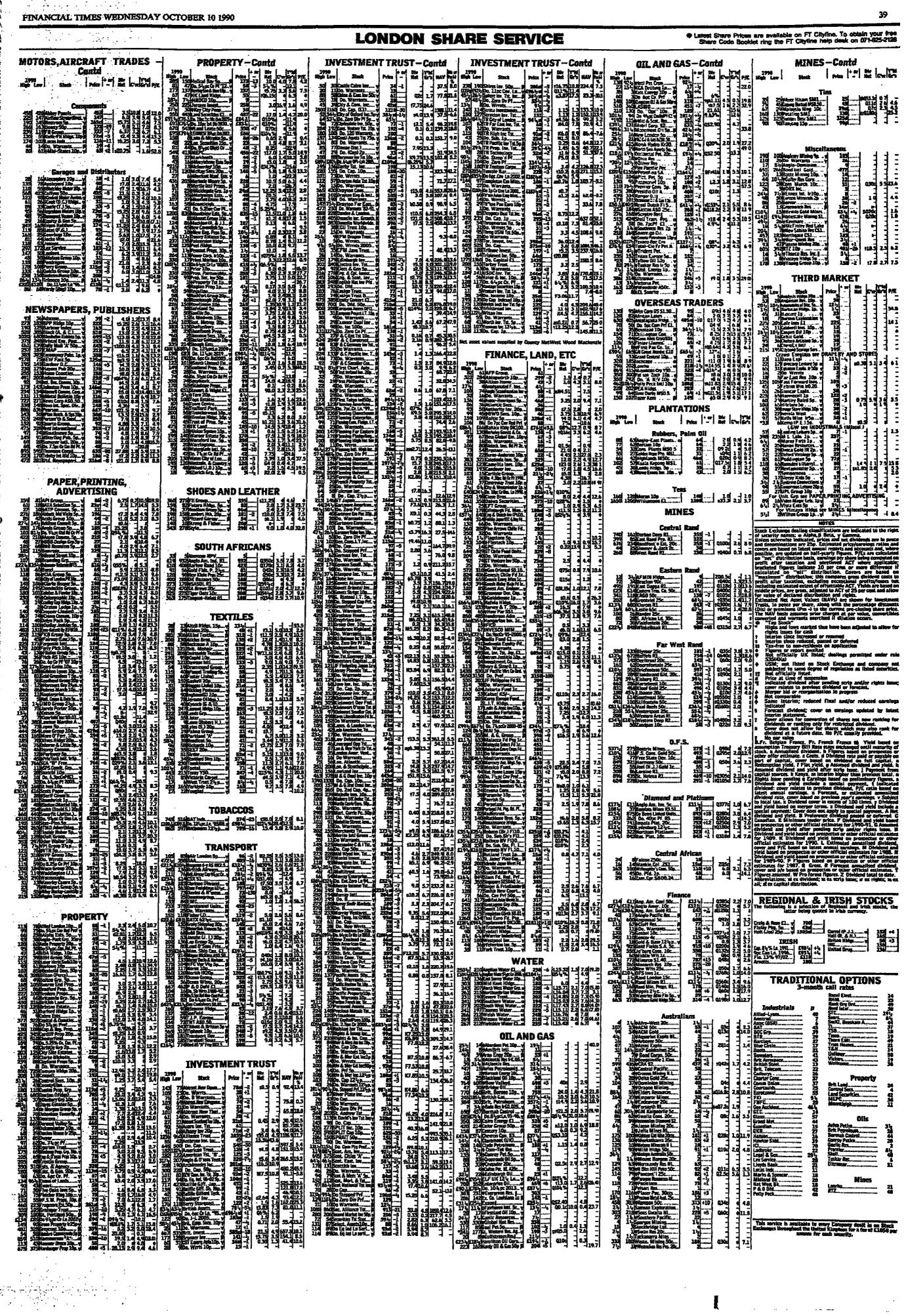
INSURANCES)

THE STATE OF THE S

LEISURE

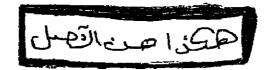
THE REPORT OF THE PARTY OF THE





Current Unit Trust Prices are available on FT Cityline. To obtain your free.
Unit Trust Code Booklet ring the FT Cityline help deak on 071-925-2128

AUTHORISED	Just Case. Bid Stifer or Yield Case Price Price Price - 67.	Link Court. Mid Stiller + or Yield Chiefe Price Price - or S	Dait Cont. 31d 4ffer + or Yald Cheje Pitte Pitte Allet - 64's Insore Famil Managers (1200)F	Last Case. Bid Wiley + or Visid Comp. Price Price - Se's Last Unit Tax Names Line - Contd. Last Unit Tax Names Line - Se Salva Sal	July Court. Blid between Yield Corp. Price Price Price - 674 executy Found Management Lini — Coulty.		Chart Comp. 100 Mar. 2 Table Country Company C
UNIT TRUSTS	Oriest 9	orparis Units	nore House, 16-18 Meanmant Street on ECSR SA.) 071-782 2000 largs offy:7277-264421 Investor Services: Freebook 0600-289 336	lati Generik	200 - 201 101	2 (London Bridge, Sci.) 129-2 129-161 137-0-0 217-0 Hearton Calenta	Interpreta
Abbay Unit Tet Mayes (1900)H 80 Hadesburt Rd, Southedook 0345 7173/3 Web Insue America Insues	Beckmaster Mangent Co Ltd (1200)H 153 Botole Street, London EC34713 07:2474542 Emerging Goven, 5-14-822 49.27 51.22-949(-2)	nen Unit 1st Services Ltd (1290)H	ical in (lac) 3 4 (7.3.7) 7.0. 20 41. 50 1. 754, 43 cosmi	Recarded Hits, 5 Appeld St. E12A 22A 177, 508 2200 Personal Hits, 5 Appeld St. E12A 22A 177, 508 2200 Personal Hits St.	r(folio	UK Sendy Boome - 0 17.12 75.38 50.19 - 0.724 77 UK Sendy Grard - 0 85.55 55.46 00.69 - 1.71 13.43 UK Sendy Grard - 0 85.55 55.46 00.69 - 1.71 13.43 UK Sendy Grard - 0 82.01 92.70 92.70 13.16 14.78 12.00 UK Sendy Send	Accomp Limited
Gilts & Fixed let 6 106. 2 105. 2 112. 7 41.8 105. 7 105. 1 105. 2 105. 2 112. 7 41.8 105. 1	General Infects 9 - 34, 50.11 - 31.65.03 5/2.0 - 43.9 - 45.0 - 6.0	6 00 79 90,99 97,84 9.170.85 berrander 6 200 79 20.2 2153411135 berrander 6 200 79 200 2153411135 berrander 6 104 116.9 12534071145 berrander 6 104 116.9 12534071144 berrander 6 200.2 201.2 3346-4118-66 Francisco 6 104 9 106.9 117.1 1.151.70 Catalon 1 1 caractor 6 104 9 105 9 117.1 1.151.70 Catalon 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	oe	Lamentian Her. Barnacoul, Gloscoster GL4 7872 Enquiries 0452 371500 Dealing 0452 571525 Growth Trees	PS CHE Equity _ 2 40.67 42.09m 43.17+0.02 0.00 comp Units0 _ 2 40.99 42.43m 43.52 +0.00 0.00 "Comptend Annual Rate	Ber Carolina	Anner United — 3 to 370, 2 to 31, 5 to
Capital Basers Acc	Occas units v - 34 112.7 86.37 52.36 1.35 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	mensional Tst Mangort Ltd (0900)F Charte Il Street, Loudin SW1Y 400 077.829 8711 527 Chartes Il Street, Loudin SW1Y 400 077.829 8711 527 Chartes Il Street, Loudin SW1Y 400 077.829 8711 527 American Small Cos	harmanical 54, 73.70 73.70 80.96 13.00 14.65 ms Trush 54, 23.70 63.90 63.00 67.30 60.91 42 73.00 63.00 63.00 67.30 60.91 42 73.70 56 0.00 13.00 67.30 60.91 42 73.70 56 0.00 13.00 67.30 60.91 42 73.70 56 0.00 13.00 67.30 60.91 60	The resolution of the second o	ertin Jupiter Unit Tst Niges Ltd (1995)F 7 Kajashridga, Landen SV7 1188 071,581,3030 mitran Con 57,22 11.59 86,79-0.30,17 mitran Con 57,22 74,55 74,30-0.075,34 mitran Lammed 5 75,22 100,6 107,0 -10,00 cial Sts. 58,304 63,74 33,78-0.10,477 mitraniani 56,384 43,394 46,63,402,17,70 cial Sts. 58,384 43,394 46,63,402,17,70	Gilt & Comerciate 6187.84 \$1.00. \$97.76-1-05110.47 For PK English for one English Treat inv Peparl Unit Trasts 1.10 (1.0809H PO Sex 200., Thorpe Wood, Patriconsuph PES 640)	News United 4 54 68 57 67 16 77 37 days no Access United 4 54 1415 1421 152 2 170 166 HK Cumbry 54 1415 1421 152 2 170 166 16 16 16 16 16 16 16 16 16 16 16 16 16 1
Japan 6 83-06 El Juliu 88-03 04-50 CO Missacrivat 6 77-22 72 El Gel 10272 10 UK Green 162 6 1-162 7 15.3 24 15.0 0 0 0 1272 10 UK Green 162 6 1-162 7 15.3 24 15.0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Short Dated Gitt. 14 (59.21 59.21 60.09)	Scretionary Unit Fund Magrs (1900)F Part Derty Middition, 65 Wilson St. Etc. 071-377 8619 into the loc Oct 5	Files Micr34 73.76 73.76 77.24 43.42.64 43.42 43.61 44.86 49.27 43.52 43.61 44.86 49.27 43.52 43.61	UK Canital Oct 9 0 242 7 242 7 247 61417 5 6 49 un.		General 1996 35 100.8 106.1 - 1.04.70 (Access General 1995) - 5 161.9 165.7 174.4 - 1.64.70 (Access General 1995) - 6 199.4 161.4 171.7 - 2.65.36 (Access General 1995) - 6 149.2 144.7 1133.9 +0 5 2.80 (Access General 1995) - 6 149.2 144.7 1133.9 +0 5 2.80 (Access General 1995) - 6 153.0 154.6 164.4 149.5 2.80	######################################
Billiant & Growth . 6 20 97 51.68 54.77 42.50, 91 Division & Growth . 6 42.03 31.4 45.99 45.44 90 Global Gorth & Sec . 6 46.60 46.84 491,924,912,01 Albertoot Management Lad (12.00)H 10 Quees Terrace, Abertson AB9 10.1 0000 833500 America & Growth . 74, 124 20.972 20.491 401,92 600 Employment 54, 127,97 72,294 74,93 402 10.60 Employment 54, 127,97 12,294 74,93 402 10.60 Employment 54, 127,93 402 402 402 402 Employment 54, 127,93 402 402 402 Employment 54, 127,93 402 402 402 Employment 54, 127,93 402 402 Employment 54, 127,93 402 402 Employment 54, 127,93 Employment 54, 127,	Gramman States 41 to 47 to 47 to 12	m Perticilo Acc., 5166.31 66.31 72.39 41.05.01 UKE	gar Earthy 0.11/54 (25/341/23/24-646)(1.34 Tern Bal 0.124 (1) 7/341/23 1-3/31 (3 Tern Bal 0.11/55 (17/541/17/54-74/5-75 tern Bal 0.11/55 (17/541/17/54-74/5-75 anty 0.127/66 (19/4) (15/4-75/5-75/5-75/5-75/5-75/5-75/5-75/5-7	Could Acres A SET & SET 74 SEE S. LTO 64 20 Aug	Corporation Control for Tibb Last 1 (1977-1918) Finding Last Potters for Tibb Last 1 (1977-1918) Finding Last 1	III. decrease	Since Training 100
Extenst American 34, 297.8 297.8 a) 309 8 H-101.83 Extenst Procific 34, 189 7 189 7 197.5-0.210 00 Extra recove 54, 36.38 36.38a 38.84-0156.40 (W East Exemplate 54, 37.73 39.73 42.56-10 400.00	OK Commist 17	regoon Gerch 9 — 5 1 53.6 1 53.6 1 61.3 - 1.6 0.31 india: 50.0 5 1 50.3 1 1 50.3 1 50.	Lining GR. 01184 11870 11870 - 451435 Interest 011944 1845 1945 - 251125 Energing Da. 018275 71.5mg 14540 491 93 R 011822 11822411822 491 1455 L 077.77 77 73 737-4512 9		Idisand Unit Trucks Ltd (1200)F 2 Pyr Sret, Skriftel, S. 1380 97-2 52988 Ruft Rg	Perpetual Unit TSZ Hingers (1890)76	Belffe 9 5 81.71 02.06 08.14 02.75 5 Account United 9 5 85.17 94.36 97.44 0.91.51 Economy 5 1066 1090 91.46 4596 25 18 index Acc 9 5 110.1 111.20 118.21 178.49
Feet for 1st \$1 (0.2 \) 10.2 \) \$1 (10.7 \) \$1	Cottors Cir. Cottons Lane, 1dn. SET 201. 07 224-0009 Crowlo Fish Acc	FM Unit Tet Mogrs List (1.408)#6 PM (1.408)#	serre Personal Proudos Frantis - gent English - 6 15 55 5 54 55 60 000 - 0.30 - gra Chalter - 6 15 57 7 55 55 55 55 4 50 000 - gra Chalter - 6 15 57 7 55 55 55 55 55 55 55 55 55 65 65 65 7 6 6 6 6	Japanese 200 17 17 17 17 17 17 17 18 18 17 18 18 18 18 18 18 18 18 18 18 18 18 18	zzan Volta)	had Emerging Cos 51, 178.51, 178.57, 58.47, 40.07 1.76, 178.57, 17	IX Notes: 1
UK Growth	CS Fund Managers Limited (1900)H in 125 High Hollom, Loadon WCIV 6PY 077-4421148 Res SAmurica Fr 514.15 46.15 46.15 07.091-0710.77 PG SI international F 5144.49 44 47 2721-07212-04 Samurica Fr 5115.7 115.7 115.7 122.61-070.87 TM	ta Dist	Interest		zona Unital	Adm Strict Micr. — N. 19487 19.42 37.89 INSTITUTE PRINTINGS & Dever Unit Managers List (1400) F Million & Dever Unit Managers List (1400) F M Findery Science, London SCO 407 00 07.428 6070 107.628 607	The Income
PO Box 221, Bezantam, Ren BRS 400 001 -645 3001 RV Easty Income 6 49 49 20 15 27 37 4 40 20 60 60 60 60 60 60 60 60 60 60 60 60 60	Canada Life Unit Tst Mgrs Ltd (1200)F 82 High St, Petrar Bar, Rets, Ellé 58A 0707 51122 UR Can Ban Dist	gie Star Unit Mages Ltd (1000)H ih Read, Chetherium (1537)(8	al Asset Management (1200)F Sterling Management Ltd	Extra become519424 19424 204.46 -1458.45 (Ac Do (Access)5417.61 47.61 49.61 -1546.45 Sm	selleria 18	Administration & Onalise: One) Treat Actoming & Management, Led 1 White Near Yard, Loudon SCI, 1823 90 111-489 0 American 61 36.13 36.75 99.111-489 0 European 63 38.25 38.66 40.13 -0.66 0.00 Global 31 30.61 39.19 41.70 40.11 0 Pacific 63 31.14 33.56 39.86 42.59.00	Scottish Ambrahle Ut Tet Migra Liv (12009) SO S. Viccest S., Giappor CZ 549 O 120200 SO S. Viccest S., Giappor CZ 549 O 120200 South Secure
Aegis Unit Tst Magard Ltd (1400)F 94 Whitsafes Rd, Bristol, BSB 10X 6277 227593 Ind Growth	Causes Ford Managers Ltd (0630)H UK 1 Olympic Way, Wentley, HA9 ONB	America Acc	James Piace, Loubus SW1 5 (71 -493 999) 6 6 6 hrist ies. — 8 502 65 502 65 501 56 1 55 6 6 hrist ies. — 8 502 65 502 65 501 56 1 55 6 6 hrist ies. — 8 504 65 702 65 502 65 55 6 6 6 hrist ies. — 8 504 65 702 65 702 65 55 1	De (Accepted	His Service Court 15 15 15 15 15 15 15 1	Premiumt Life Util 182 semps Lin Lifeouri 37 Perryamant Ri, Haywarth Horit 0444 458721. Marathy Income	Inchess Boson 24 199.64 99.69 102.21 (41)1135 Sportligh Equitable Fol Migra 1.56 (1.000)11 Sex Audress Sc. Editorys Intil Records
Calling in Record in . 3 37 % 37 4.4 41.52 1.3 481.605 Calling in Record in . 379 64 46.65 41.79 61.31 1.8 61.605 Calling in Record in . 379 64 46.65 41.79 61.31 1.8 61.605 Calling in Record in . 379 64 46.51 49.47 42.21 6.60 Calling in Record in . 379 41.51 49.47 42.21 6.60 Calling in Record in . 379 64.51 49.47 42.21 6.60 Calling in Record in . 379 64.51 49.47 42.21 6.79 1.3 61.605 Calling in . 379 64.51 64.5	Remit American 5 - 55 (21.99 22.99 31.00 - 2.30) 22 (6.00 d 4 - 51 - 6.27 6.227 4.527 4.527 4.527 6.227 6.227 4.527 4.527 4.527 6.27 6.	durance Fund Management Ltd (0905)F 5AN Harrington Garden, London SW7 4JU 071-3737261, GAN Housen Fd	The Amerika C	Man San Da & Rec. 5 So 35 57 33 at 60.40 (-1.40). 01 No. 10 No. 1	pore	Profific Unit 15t Mogirs Ltr (1.180)** Waltwork Hiss, 23 Waltwork, ECHA BLD 0,000 25;2443 American incore	Section State Section Sectio
F Former Folds Sec 5 20.65 38.96 41.45 - 266.250 We many Flats Acc 5 40.76 41.07 47.11 - 218.250 We to Geth Philips Sec 5 47.74 47.78 50 53 - 0.97(2.10 57 bit Geth Philips Sec 5 47.74 47.78 50 53 - 0.97(2.10 Find Geth Philips Sec 5 47.74 47.36 25.31 - 0.42.10 AELTON Unit Turnets Lind 10.60 OFF AELTON House, 2-12 Pentonville Road, London, 81 9006	Capel-Cure Myers UT Tst Mogt Ltd (1200)F Am 35 Fouriale Street, Maachester M2 2AF 061 236 585 2 Fouriale 061 236 585 2 Fourial 156 601 2 Fourial 156 585 2	grass 1710s. and magests on the Control of State	th Lighth Unit Migarit Ltd CL0009F letan Roses, 4 Battle Bridge Lase, London, SE 767979 Spreight Mr., Sp. 66,53 66,53 72,155 6,014 31 mill Or 54 87,75 8,35 47,55 1,155 6,014 31 half Dr 54 87,75 8,35 47,55 1,15 6,014 31 half Dr 54 87,75 8,75 47,75 1,15 6,014 31 half Dr 54 87,75 8,75 47,75 1,15 6,014 31 half Dr 54 87,75 8,75 47,76 1,15 6,014 31 half Dr 54 87,75 8,75 47,75 1,15 6,014 31 half Dr 54 87,75 8,75 8,75 8,75 8,75 8,75 8,75 8,7		Imaged 6 44.87 45.67 40.57 40.553.08 DORY Marriet 6 56.18 58.18 50.48 60.02 10.48 The America 6 42.99 44.58 47.59 42.511.13 Ideal Ensembler Person Link Toron 61.64 14.08 47.08 17	Ny line	Fe Ear Perl
Europein Ground 5) 152.4 152.4 151.7 (4.1.010.00 Europein 2 176.1 376.1 595.4 -5.7 6.77 Geomy United 2 1030 1030 1052 -146.77 For Eastern 5 176.5 178.5 190.9 61.20.00 Geomy United 5 196.3 196.3 297.8 4-131.00 Fit & Property 5 49.81 48.61 52.25 -6.101.78 Geomy United 5 62.42 82.22 82.24 -1264.78	Accum Units) 5 42.62 42.62 45.35 0.00 Em Gleatriars 5 186.2 186.2# 198.1 3.46 Fa (Accum Units) 5 199.7 199.7 212.5 3.46 Rise	Eastern 51.98.74 142.29 149.78 cold.87 Earne 1.6. Fed let 545.17 45.49 47.88 cold.90.7 let G h lacone 545.17 48.91 104.12 cold.74 Germa 1.6.131 63.31 64.65 cold.29.90 Serian	Linca — 54 77.02 80.26 83.844\LSI3.25 Syntay 6.54 50.25 51.5 94.774.079.04 ass Godd — 54 54.03 54.03 51.194\LDi0.17 abs Godd — 54 53.05 51.5 69.55+0.511.72 abstrass — 54 53.97 57.97 40.534\Ldi0.56 wille Unit Test Magnet Lint 06.6591F 86.77 Masset St. London E1 86 577-488 2212	Winsland Park, Explor DIS 10S 0392 282673 ac American	To a control of 1.1.0 1.1.1 1.1 1.1.1 1.1.1 1.1.1 1.1.1 1.1.1 1.1.1 1.1.1 1.1.1 1.1.1 1.1.		Prints Fize Perl\$4 (33.47 33.60 33.79)0.010.67 Scottish Life Revestments (2.200)11 19 St. Andrew Sq. Ediobyroh 031,-225.221 IK Equity (Nelson) . \$ [229.5 200.5 257.21-5.14.28 merican Ediometric J. 128.7 (28.7 127.040.001.69 merican Ediometric J. 128.7 (28.7 127.040.001.69 merican Ediometric J. 128.7 (28.7 127.040.001.69 metric Characteristic J. 128.7 (28.7 127.040.001.69)
inigh Yield	Aron Unito 51246 6 3679 370 2 5 56 6 56 6 56 6 56 6 56 6 56 6 56 6	Com 51 40.47 97.31 48.22 438.41 Small state Com 51 40.44 49.83 52.45 5.77 Small state Com 51 40.44 49.83 52.45 5.77 Small state 51 40.44 49.83 93.54 405.31 Great 51 55.94 99.54 104.78 405.29 Great 51 55.94 99.54 104.78 405.29 Great 51 55.94 99.54 104.78 405.29 31 56.94 104.78 405.29 31 56.94 31 56.	Co's St. [51:51 61:31 64:44 25:69 64:45 64		IM Bertaminia Unit Tst Myrs Lini (1000)F Demarkir Spare, London, EC2hi 478877-1659-1454 Cail fres Poble Dealing : 0000 0105333 Intermediary Dealing : 0800 010733 (Specialist Tends estimat I is 54 45.99 45.99 48.86 4.86 1.86 1.16	Europio Mics 6 28.63 27.49 24.46 M271.43 Mr. Smaller Corr 61.17.2 17.92 ml 19.65 4.06.445 Safety First 64 12.94 20.426 22.72 4.23 (2.39 Goldel PEP 64 23.04 23.57 at 25.07 4.07 3.08 Providence Capital Fel Mysr Ltd (1.000)M 2 Bartley Way, Hook, Bartle REST 95A 25.25 76.8888 2 Bartley Way, Hook, Bartle REST 95A 25.25 76.8888 10.10 19.	Northwist (Druke) 5 52.74 33.67 57.60 to 12.11. Scottlish Mutural Inv Mayer 1.3d (0.000)F 109 S. Vincest S., Classes 62.51M D41.2454100 IX Easty 52.12 52.14 12.36.48 IX Sealt On Buy 54 167.5 17.6 153.7 127.52 Lasses 167.7 57.5 57.5 167.7 17.5
teth Amer Goth 5 107.6 107.6 104.3 -10.9 10.9 10.9 10.9 10.9 10.9 10.9 10.9	Geometric 1984,9 949,1 978,5	Growth Inc	a	Anner Smill Cost 5 22 97 45 00 45 50 10 00 300 10 00 00 00 00 00 00 00 00 00 00 00 0	and Control - 3.5 (2.50) 2.50 2.50 2.50 2.50 2.50 2.50 2.50 2.50	European Inc. 5 74.09 74.09 79.04 111.6 62.0 10.96 Separa Mot. 5 74.09 74.09 79.00 4156.00 Spara Mot. 5 74.09 74.09 79.30 4156.00 Spara Mot. 6 74.09 74.09 79.30 4156.00 Spara Mot. 7 74.09 79.30 7	IX Growth
Uccasa Usinis	Eurotosta Sp Sist. 3-1 62.44 62.80 67.02 -00-82.84 67.62 68.0.97		nd Australian . 5 56.49 56.49 59,3240.15 4,94 60 80 80 80 80 80 80 80	General General Landis J. 11761.2 1937.50 Economics 5213.6 225.5 225.0 -0.63.35 up. 66.25 up. 67.25 up	magel invest. 54: 56.75 56.75 61.014622 1.2 and tolkholm 51: 54.56.2 56.22 56.22 56.22 56.2 56.2 56.2 5	Workshold Acc	## Green 121 121 121 122 122 122 123 124 1
Amity Access	UR Index 54, 189.91 90.67 96.761-2624.84 23 Capitlai House Unit Tat Nigra (0790)Hi Capital House, Fathal Spare, Edinopia, 103, 228 4477 191.148 2 168 2 173 44-191.23 2 F	Cathedral Yard, Emrir EX. 1H8 0392 412144 Cedi. of the fists 519 20.69 22.20 22.62 Emrir Birds 519 20.69 22.00 22.62 Emrir Birds 519 20.69 Emrir Birds 519 20.	rheer Exchange Sq. London E.I.4 98E (07) - 538 94449 - 06 108.9 108.9 108.9 108.9 108.9 108.0 1	European 5265.11 200.0 304.6 46.5 1.39 UK Ukcam Unito 5548.44 302.1 372.3 +1.4 1.39 UK European Obvioland 5 41.23 41.60 44.00 +0.55.59 Can Ukcam Unito 542.60 42.00 45.30 +0.65.59 Can European Unito 570.44 200.7 131.6 -4.4 6.71 Ga Ukcam Unito 570.44 200.7 131.6 -4.4 6.71 Ga Ukcam Unito 570.44 200.7 131.6 -4.4 6.71 Ga Ukcam Unito 570.45 193.60 41.60 -4.02 1.11 [as.]	Tincome 54, 220.6, 228 bet 246.44-3396.09 obre Specialist President Specialist President Specialist President Specialist President Specialist President Specialist Sp	W wide Bond Acc \$ 22.12 \$2.12 \$4.99 Ad \$18.15.15 W wide Bond Inc \$ 44.43 \$4.45 48.45 48.45 18.15 \$1.5 Emerylap Acia Acc \$ 45.41 \$6.741 77.70 Ad \$180.00 \$1.0	rel Growth Acc
Balancel Teach Growth & Secons 5 157.0 157.0s 167.2 - 4.00 4.52 Capital	Asset Value	Colors, Bath Road, Devices SNLD 205 0380 729200 Nave	pd	(Accom belts) — \$197.28 197.9 211.8 40.21.81 pr Frand of lor 7585 — \$52257 337.7 81.3 5-531.33 ca (Accomption belts) — \$567.54 573.7 818.0 9-113.33 ca Georgia — \$569.24 80.3 882.6 198.5 51 45 Georgia — \$592.4 80.3 882.6 198.5 51 45 Oktoso Units) — \$198.4 198.5 211.3 — 13.8 5.51 US Git incustre — \$194.4 545.6 57.20 — 0.1 11.0 Us (Accompt. Delics) — \$194.4 545.6 57.20 — 0.1 11.0 Us (Accompt. Delics) — \$111.2 112.4 — 0.2 18.0 Us	reports Shares Styl 46.22 47.044 49.77 -1.10 2.62 sentem Growth France sentem Growth France sentem Growth Styl 27.81 27.81 27.81 27.81 (10.23 Styling Styl	The Hard for 51 00.00 40.00 43.07 143.07 125 125 125 125 125 125 125 125 125 125	PO Bon 902, Edinbury BNIG 589 031-648-9748 Emetry Acc 6 975-5 375-5 905-6 913-16 90 Emetry Inc 6 281-4 286-4 305-4 919-13 1 High Inc Acc 9 186-0 1869-2 1801-4 92-2 1/9 By Inc 6 19-9 19-2 20-18-150-70 Emerge Acc 6 189-9 19-2 20-18-150-70 Emerge Acc 9 186-2 1803-7 20-91-2 1/9-1
Anorican bootes \$12.05 25.05 25.67 - 0.045.17 - 0.045.17 - 0.045.19 - 0.045.19 - 0.045.19 - 0.045.15 - 0.0	Property Shares	opens Garth	product, ECSP 309 081.485,9818 INT Cap 54, 132.30 32.30 34.7249.910.67 cess Mahon Unit Tat Migns Ltd (1200)7 a 422 32.91 Mayrad-Hill, ECS 071.422.9333 and Growth 6159.63 59.634 63.8149.631 51 cformath 6159.63 59.634 63.8149.631 51 cformath 6159.63 59.634 63.8149.81 51 cformath 6159.63 59.634 63.8149.81 51	See 3 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	m Smaller Cai	Provident Martinal Unit Tot Migra Ltd (07903)H 25-31 Moorgan, London, ECRA 68.8. 071-588.3963 PM Spatry Gib	tek Amerikar — \$ 106.0 196.0 191.1 0.61.20 tek Amerikar — \$ 109.0 191.5 0.61.20 tek Amerikar — \$ 190.5 190.5 200.1 1.0 - 100.1 tek Amerikar — \$ 190.5 190.5 200.1 1.0 - 100.1 tek Amerikar — \$ 120.7 120.7 130.3 + 1.40.1 tek Amerikar tek Amerikar 152.6 123.6 131.9 + 1.40.1 tek K Spec Stistan tek Amerikar 152.6 123.6 131.9 + 1.40.1 tek K Spec Stistan — \$ 179.7 4 82.0 \$ 37.55 143.9 120.2 tek Spec Stistan \$ 179.7 4 82.0
International	Sel Sentire (75* 5) 23.77 27.77 27.70 13.15 27. 55 27.	Second S	1 2015 - 1 2015 - 1 2015 - 1 2015 - 1 2015 - 2 2	Japan Sand S. 1 5 5 5 6 7 5 2 7 2 7 2 1 3 1 3 3 5 1 1 1 1 1 1 1 1 1 1 1 1 1 1	and Senting To. 54. 26. 27. 24. 24. 24. 25. 26. 27. 27. 27. 27. 27. 27. 27. 27. 27. 27	Prodestial Helburn Unit Tsis Lisi Cl6391H . j 51-69 Blard Hill, Ward, Emer K1 2DL . 001-4783777 E Private Citais Desling 0000 010345	Scrimpeeer Victors U.T. Migert List (1.000)* dealer 5 Rydelph Rt. Hesten. Bestwood. Enver browker 1277 227200 Vistor 17th 25 128.6 123.5 126.6 12.3 127 Rarp (Albert E.) & Co (1.139)* 2 Rendall Street, Birginghum 53 3ER (021-2002286
Smaller Co	Chase Manhatian Fund Mors Ltd (1600)F ASE	Itly Treet	zon	Ratoresy(22)-13 \$1 25.46 26.10 27.60 (-2.45.77) 8.60 (access between 220-13.15) 73.75.0 9.80 (-2.55.77) 8.60 (access between 2 \$180.47 857.0 90.5 -1.86.57) 8.60 (access between 3 \$180.47 857.0 90.5 -1.86.57) 8.60 (access between 3 \$180.47 82.70 99.4 -37.15.57) 6.60 (access between 3 \$180.47 84.20 47.30 0.15.25 6.60 (access between 3 \$180.47 84.20 47.30 0.15.25 6.60 (access between 3 \$180.47 85.80 \$1.80 0.15.35 6.60 (access between 3 \$180.47 85.80 \$1.80 0.15.35 6.60 (access between 3 \$180.47 85.80 \$1.80 0.15.35 6.60 (access between 3 \$180.77 85.80 \$1.80 0.15 6.8	1. Yearth start GHL & FI	Fellon Cab Regs	ES Poole Pedon
Arbeitant Unit Tet Henrit Lid (1000)F 131 Finitury Pressert ET2 077-628/9876 Arbeitant Gark in: bis0 04.50 91.76-28/9876 Arbeitant Gark in: bis0 04.50 91.76-28/9876 Arbeitant Griyber 1248 1249 1250 Arbeitant Griyber. 5 24.58 124.58 124.58 124.58 Arbeitant Griyber. 5 24.58 124.	CIGNA Unit 1st Managers Ltd (1700)H 5 Trump St, London ECZV BAR 071-796 3571 Errogson Grand 54 72 28 72 28 77 30 14 47[1.20	u Valt, 752* 0121_14 121_14=121_14 +0.04 14.90 Adento u Sealler Cos _ 54, 28.30 25.30 30.08 +0.44 0.00 Emeril	mrd		pregan Grenfell Unit Tst Mers Lbi (1880)H Finshay Clean, Louise ECZM 1UT dect 071-825 0825 Engines 071-825 0825 serion Gerti — 34, 97.18 97.18 109.7 1.21.56 090 Gerti — 34, 1886 2826 201.4 5.310.20 1 Gerti — 54, 1886 2826 201.4 5.310.20	Holbert int Set C. B. 44 L.19 4 .1.29 4 .219 -219 -219 -219 .22 4 .25 6 .00 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	6 W American 4. S 136.6 137.4 145.1 -5.11.60 4 W Conted 5 76.02 76.02 81.92 - 3.95 4 W Conte 4 5.100.47 100.474.0044 0.05 6 W Growto - 5.00.37 92.18 86.96.1.71034 6 W For Eastern - 5 77.52 78.44 85.01.4005.00 6 W Forward: - 5 65.8 88.42 93.56.2.982.79 6 W pressure - 5 90.23 92.754 77.05 45.516.07
1 May 34, Machine of Ref. 3 Sept. 1 May 2 May	MATERIAL INC. 33, 37.35 57.35 61.34 913 6.00 Fee	teus Names54 44.75 44.77 48.02 10.30 10.00 Europe East let54 31.61 31.61 33.55 10.13 2.45 High is	5 110.6 110.6 117.3 +2.3 h. 87 scane 5 16.5.29 64.23m 71.43 +1.59 h. 0. scatton 5 46.65 64.65 49.89 42.10.24 & Far East 5 91.69 91.69 97.07 +0.10.34 American 5 91.69 91.69 97.07 +0.10.34 American 5 10.23 10.23m 100.5 +2.3 0.88 r Companies 5 10.23 10.23m 100.5 +2.3 0.88 r Companies 5 27.22 27.20 27.00 +2.10.48	int Equity 6th F	Special St. — 54, 131.6, 116.4ml 28.0, 0-27.4, 54.5 Special Rec. — 54, 131.6, 116.4ml 28.0, 0-27.4, 54.5 Sent Tracker Rec. — 5, 1094.1, 1394.1, 131.4, 14.4, 54.3, 2 Ser Sent Tracker Rec. — 5, 1094.8, 109.6, 137.3, 137.4, 13	Regency Life Unit Trusts Ltd (14800F 55 55 55 56.04 97 55 56.04 97 54.21 54.22 56 54.04 97 54.21 54.22 56 54.04 97 54.21 54.22 56 54.04 97 54.21	2 Withrougher 195.01 95.01 IMES 1345.53 2 Withrougher 197.32 79.2 85.92 13.27 (overeign Unit Tst Magns List (1060)F 2 Christolard Rd, Boursmooth 0202.29822 2 Christolard Rd, Boursmooth 0202.29822 2 Christolard Rd, Boursmooth 197.01 198.1 199.1 198.1 199.1
	City Financial Servi & Burs Ltd (1200)F 1 White Hart Yard, London Bridge, SEL 077-407-5955 Mac Sign'i America 19: 342-35 33-984 45-301-4221-4009 Rec Sign'i America 19: 342-3421-4009 Rec	more land 51, 132,5 132,5 140,71+130,000 PG Ba	ofermation	15 St Betroith St, Lordon ECA /FE	maged let	British Life — 6 (23.0 217 Aug 220.71—3.84.31. Finderson (ac) — 6 (22.2 12.2 2 2 12.9 — 1.3 4.7. Finderson (ac) — 6 (12.2 12.2 2 2 12.9 — 1.3 4.7. Finderson (ac) — 6 (17.0 17.8 198.2 — 1.4 4.7 Finderson (ac) — 6 (17.0 17.8 198.2 — 1.4 (1996.5) Finderson (ac) — 6 (1996.5) Finderson	Micai
BG Grand Gard	Sadders Hs, Gester Lr, Lundon ECZV 6ER C192 412144 Pin Active Aneth Sept 26., 1114.77, 147.7115.231	Bity Select Personal Particles Particles - Select Personal Particles - Select Personal Personal Particles - Select Personal Particles - Select Personal Personal Particles - Select Personal Particles - Select Personal Particles - Select Personal Particles - Select Personal Particle	Sist	Rer'D, Aller Carlot V	mini delt Tin	H.M. Retheschild Fund Mgreet (1906)F S. Sethbir's Law, Lordon EC4 Deniers (77, 280, 500) RC America (8cc) 6 (297, 32, 295, 32, 62, 72, 12, 71, 73 RC America (8cc) 6 (293, 71, 285, 71, 327, 12, 74, 12, 12, 12, 12, 12, 12, 12, 12, 12, 12	Sementic Arc H54, 29.73 29.73 31.691-4.42.89 (Schmidt Arc H54, 24.1 39.93 41.34.42.89 (Schmidt Arc H54, 24.1 39.93 41.34.42.89 (Schmidt Arc H54, 24.12.5 (Schmidt Arc H54, 24.12.5 (Schmidt Arc H54, 24.11.9) 31.72 92.691-42.5 (Schmidt Arc H54, 24.11.9) 32.73 92.691-42.5 (Schmidt Arc H54, 24.11.9) 32.73 92.613 92.591-42.5 (Schmidt Arc H54, 24.11.9) 31.94 33.5 1-21.5 (9) (Schmidt Arc H54, 24.11.9) 31.94 33.5 1-21.5 (9) (Schmidt Arc H54, 24.11.9) 31.94
James Fd Dct. 3 F	Drages Grown	elai Shs 51, 105 4 107 Sai 114 5 k0 1810 00 Balara	Control	Marks & Spencer Unit Trust Ltd (1200)F Am P0 Bm 410, Custer X CH99906	erican lucame — 5 90 24 90 24 95.71 - 22814.43 http://www5 73.25 73.64 728.44 - 198.53 upen — 5 46.37 46.37 49.44 41.06.125 Esther — 5 47.53 37.53 93.22 - 41.52.24 other Cos — 5 40.98 40.98 43.74 - 1.65.429 uplad — 5 4 37.02 37.02 37.02 37.41 - 1.86.17.5 uplad immer — 5 4 37.10 34.10 34.27 - 1.06.54	UK Major Co's 54 58.53 59.53 62.67 0.57 - 6	K Larger Can Rec., 77 j. 2071.5 210,004 227 81
BYT. 6 IT wids	Prolipers Gottl	mileg Private Frand Megt Ltd (1200)F Galaxi Servet, Landon F.C. 1201, 204 (70.57 -1.13)7.7920 Servet a. Inc. Privato 0 654 60.04 70.67 -1.13)7.74 Adian 1 a. Cap Privato 0 103.67 103.17 1.145.32 Europe reign & Colonial Unit Megant (1200)F Europe 100.08 100.00 Servet Medical Colonial Colo	Ref9008	Marrisprough Managed Trest (1630)F 98. 57 Victoria Spaire, Bolton, BLI 11.4 0204-36342 57 Victoria Spaire, Bolton, BLI 11.4 0204-36342 Marrist Carrie Unit Trests Ltd (0905)H 48 Merillis S, Edukupte B137 HF Diversil-220-4924 FF Ent Outlief C 99. (79.23 74.23 84.10 4.04 (5.50 for Entitle Carrier Live State C 99. (79.23 74.23 84.10 4.04 (5.50 for Entitle Carrier Live State C 99. (79.23 74.23 84.10 4.04 (5.50 for Entitle C 99. (79.23 74.23 84.10 4.04 (5.50 for Entitle C 99. (79.23 74.23 84.10 4.04 (5.50 for Entitle C 99. (79.23 74.23 84.10 4.04 (5.50 for Entitle C 99. (79.23 74.23 84.10 4.04 (5.50 for Entitle C 99. (79.23 74.23 84.10 4.04 (5.50 for Entitle C 99. (79.23 74.23 84.10 4.04 (5.50 for Entitle C 99. (79.23 74.23 84.10 4.04 (5.50 for Entitle C 99. (79.23 74.23 84.10 4.04 (5.50 for Entitle C 99. (79.23 74.23 84.10 4.04 (5.50 for Entitle C 99. (79.23 74.23 84.10 4.04 (5.50 for Entitle C 99. (79.23 74.23 84.10 4.04 (5.50 for Entitle C 99. (79.23 74.23 84.10 4.04 (5.50 for Entitle C 99. (79.23 84.10 4.04 (5.50 for Entitle	To Machael Unit Mayers List (2409)F six: 5 Rayleigh Road, Hoston, Brestrood, Euro siries 277 227307 Sept. 10 Se	UK Lecture 31, 1246 1377 15,54-137 4, America 51, 47, 48, 44, 51, 111, 114, 44, 41, 41, 41, 41, 41, 41,	3 Charlotte Sc, Edinburgh nurricas V 5 212.0 212.0 222.2 224.2 230.85 const United V 5 245.0 245.0 25.1 4 291.85 15 672.0 672.0 27.1 2 - 7.3 5.7 6 const United 5 672.0 672.0 27.1 2 - 7.3 5.7 6 const United 5 1092.2 1052.2 1116.4 17.8 5.7 6 const United 5 1092.3 331.6 327.8 - 7.3 12.6 6 const United 5 331.6 331.6 331.4 1.6 10.8 5
Barrelays Uniceru Ltd (1000)H Dirican lies, 252 hourium RH, 27 Uniceru America. 3-54 do 82 do 82 do 4824-0 013-6 Di Ang Ressay Act 34 55 21 33-28 57 57 51 012-0 20 Di Anst for	1 Withe Hert Yard, Legion SE1 18X 071-407-5966 Eng CM Contai 342-40 43.31 46.331-0445.84 Eng CM Income 6141.03 41.71 44.61-042/6.72 Far Byt	phrict. (227 22730) Dealing (227 221030) Jupine St	Treat	European (2)	Unit Treat Mags (1,200H) Billion Centre, Borth Harborn, Portsmenth selvine, 0705-572222	Statement	\$10.65 91.46 90.42 H28000 com timbs
IN Early Sand Sc	CU European Grb 6 70.28 70.29 74.77 0012.11 US:	realington Unit Neigh Lini (1200)H Britospale, Lonion ECDN 977 071-374-4100 Japan 2 Smile Com	Comp. T. 20 100-100 Co. 40 71.14 CO. 11.14 CO.	Admin: 5 Reyleigh Rd, Huttina, Berestyrood, Esser. Esseries GEZ7 227730 Decision CV 40 - 112 - 12 - 12 - 12 - 12 - 12 - 12 -	mm United	Deposit51 62.10 61.10 64.31 40.22 - El Maraged54 58.38 59.38 62.50 4.50 - El Rayal Life Fd Mgant Ltd (1900)H	opd Finel Lt
Do Greunth Acc 34, 207 5 207.5 221.9 -2.64 23. Do Recorne 54, 384 5 399.8 4 36.9 4 -0 06.60 Do Tracer Balletr 54, 44, 15, 44, 444 47 40, 4011.7 95 Do John A. Can Acc 54, 102.7 149.2 159.3 1-0.60, 04 Do John A. Can Acc 54, 102.7 149.2 159.3 1-0.60, 04 Do John A. Can Acc 54, 45, 75, 42, 91, 91, 91, 91, 90, 94, 94, 94, 95, 95 Do John S. Can Stat. 55, 45, 75, 42, 91, 91, 91, 91, 91, 91, 91, 91, 91, 91	CI Jasum Gith Acc	kal 1st	66656 6656 71.18 149162 61111 1111 1188-15119	PO Son 249, Decimelarin, Kent Bills 4WA 1081-643 3111 Gold Intentity	See Design 3-14 (% 15 % 15 102 m) (4) 98 (1) 11 (4) 98 (1) 12 (4)		a Alfanze House, Horsham (2005-15-20) july (1000) (
The Strate Co. 1 (200 or 277 d) - 3 (4 9) to 5 (4 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Do Access	aciat 5 44.76 44.76 47.61 4034 1.95 High Y	Fed Lat Jac 4 21.95 21.95 22.80 -0.01 10.00	1 White Hart Vant, London SE1 110; 071-407 9966 Self- Hentis Fard	4 Marsey — 34 M77 87.71 94.65 (1) 10.00 graphs of 14.9 96.01 (1) 68.00 (1) 6	Jap 100m Translating4. 153.06 53.06 53.06 52.76 143.96 0 Bit European	10.00 50.00
But they for Acc	Ferman's Builder Hamanamed Co Ltd. 195 791-2222.75 Grather General 1 . 6 90 07 90 05 91 195 791-2222.75 Jun Account 1 . 6 94 07 94 07 100 001-137 275 Grather General 1 . 6 78 62 78 68 83 701-138 60 March 100 00 Account 1 . 6 78 62 78 68 83 701-138 60 March 100 Account 1 . 6 78 62 78 68 90 001-278 60 40 March 100 100 Account 1 . 6 78 62 78 62 90 001-278 60 40 March 100 100 March 100 1 . 6 88 62 78 62 90 001-278 60 40 March 100 March 100 1 . 6 88 62 78 62 90 001-278 60 40 March 100 M	um Units)	Sts	American Sm Cos	Easty 55, http://doi.org/10.1006/07.000000000000000000000000000000000	Royal Leb Hoe, Colchester COJ 1764 0206 764400 UII American Growth F., 54, 75.52 75.52 80.34 0.76 12.79 Williams Growth F., 54, 40.55 40.55 40.28 12.28 12.21 52 September 5. 14, 40.75 40.55 40.55 40.28 12	
Cariner Crewit 34, 39 64, 39 64, 42, 42, 70 64,	De Action 1	offer Co. 1	Finel Managers Ltd (1200)F strin 9, Mancheste M2 24F 061 236 5362 & Gat	Occasio tietici	Amprion Det 9 - 512.97 53.04 55.43 1-0.3 [1,20] Europain Act 5143.12 543.27 673.11 40.5 0,39 Europain Det - 512.15 62.30 64.28 40.0 0,39 For East Act 9 - 519.22 92.34 92.19 40.98 0,39 For East Det 9 - 512.16 92.58 98.49 40.98 0,30 07.50 Act 5176.5 745.7 746.5 754.4 41.1 11.20 07.50 Act 5176.5 746.5 754.4 41.1 11.20 07.50 Act 5176.5 754.5 754.6 976.4 51.1 12.00 07.50 Act 5176.5 754.5 754.6 976.5 10.0 10.50	German Grand F. 54, 143.56, 34, 50 (40, 150, 10) Cl. High leature F 54, 94.14, 94.14, 100.11-107, 44, 50 (10, 150, 150, 150, 150, 150, 150, 150, 1	Windlinker 54, 31,44 31,44 33,540 311.47 protected less 54, 27,7 \$7,17,37,34 43,15,37 protected less 54, 27,7 \$7,17,37,34 43,15,37 protected less 54, 25,14 25,26 25,37 4,45,15,37 4,45,15,37 protected less 54, 26,14 62,19 42,19 45,51 40,10,55 protected less 54, 26,14 62,15 42,17 45,51 40,10,55 protected less 54, 26,14 42,15 1,19 1,19 1,19 1,19 1,19 1,19 1,19 1
Gobal Grand	Instance Sept. 22 F 6129 67 125-67 201.79 5.32 27.6 international F	Chemoric St. London W1 (77-473 3211) IGeinst Int	Cors	Uksam Ueld 5151 95 5154 57 22-1-05 40 High Interest 541 51 41 51 41 51 41 51 41 51 41 51 41 51 41 51 41 51 41 51 41 51 41 51 41 51 41 51 51 51 51 51 51 51 51 51 51 51 51 51	112 014 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Series Growth F 54, 194.66 25.774 37.37.10.00.07.2 UK Growth F 54, 194.77 46.77 49.75-0.09.14 For Front Prior Magnet, see Commercial Union Source & Prosper Group (1990)099 28 Western Rd, Ronford RML Rd.	i became les \$1, \$1, \$9, \$2, \$1, \$1, \$1, \$1, \$1, \$1, \$1, \$1, \$1, \$1
Serial Court Freed Mont PLC 10.2540/11 12 Bell Court Freed Mont PLC 10.500/F 11 Biomfeld St. Langue EC26 21B 071-374 26-234 Life & European	Genom Units F	Serty Dist	68	Guide to pricing of Auti Compiled with the assistance of L BETIAL CHARRE Companion maked BETIAL	STORIC PRICING The Mater II	Save & Proper Group (1990)/9 20 Western Rd, Rendrug RML 34.8 20 Western Rd, Rendrug RML 34.8 (Bornfard 1978-1974)/96 or (258-1) 031-228-4000 American Group St. 1978-1978-1979 American Group St. 1978-1979 American Group St. 1979-1979 Americ	mine: 5 Rayleigh Based, Hutton, Brestwood, East "Resident 2077 227 300 5
15 St. Lamet * Place London SMTA 1899 (77, 403 81)1 Proposals in R	PPT Horny Result - 5 33.23 33.23 33.06 40 06 3649 Do A PPT Japon P - 5 50 44 93.44 97 00 40 41.76 FPP PPT UKF - 588.21 88.21 93.06 23.26 Do A PPT UKF - 569.71 97.77 73.34 -043.26 Skew	Cost	United 5-7 8.558 8.657 9.223-6.314.82 10 10 10 10 10 10 10 10 10 10 10 10 10 1	urds. Used to delay marketing and administrative per costs, including controllerion paid in intermediative, part instruction in the pains of with. OFFER PRICE: Also called human pains. The gales at which units are bought by investors.	collectual the recording will recordly deal on the cy dot on the most recent visibilities. The prices new me the latest exciliable before publication of way out be the current dealing levels because are incorrecting particular excitation or a seatch to covered pricing banks. The recordings speak deal at		B Unit Trusts (1200)H B Unit Trusts (1200)H A Anneten — 610.6.7 bit 62 co 664 76.74 A Anneten — 610.77 bit 6 ine 991.071 A Anneten — 610.77 bit 6 ine 991.071 B Int Growth — 610.54 B Int Growth — 610.55 B Int Growth — 610.55 B Int Growth — 610.55 B Int Growth — 610.56 B Int Growth — 610.66 B Int G I
Sector Ste for		childs Crescost, Edinburgh. 031 2203946 Fand of	n Spariel 5-171-165 71-165 70-35-14 62 (0.4) Mailed 5-5-173-20 73-20 73-30 40-40 96 m 5-5 99.9 99.9 105-31 133 United 5-7 125-37 125-37 125-37 13-13 No fata 5-7 123-37 125-37 125-37 13-37	SED PRICE: Also called redespution pulsa. The a is played with white are not back by investors. Sen GANGELLATION PRICE: The windows: Indicated a pulsa of the standard spread between the sen called and bit orders in chancemand by a formula bail	ornerst price his request, and may move to ward pricing at any time! ORTHARD PRICENTS: The letter F depoints if the managers does at the price to be duty on the at helmoon, benefices say the given my deducing.	High Batters	Acusson
5 Gilbaner St. London & CLA 400 F 077, 248 4400 F 177, 248 440 F 177, 248 451 F 177, 248 45	Confederation Femily Mingt Ltd (1200)F Lytin Way, Streenee, Herts SCI, 2481 0439 744940 Growth Fund	4	54, 207.7 207.7 207.7 20.0 -6.4 (-3.2 (-3.	readt, the bid price is aften est above the cancellation price. However, the bid price religit be against the cancellation price by the meangers at any time, security in electrostacces in which these is	on he advance of the purchase or said being rived out. The prison oppositing in the naverpaper the deat sport provided by the naverpaper. SHERRE PARTICITY ARES AND PORTES. The most much report and potamen foolers can be obtained but of charge float land.	Impair Sunder — 55 189 5 152 9 152 6 144 9 15 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	8 Central 6 1987 7 18.7 266 19 4464.28 Access 6 1987 18.7 266 19 4464.28 Access 6 1987 18.7 266 19 4464.28 Access 7 18.7 266 19.4 265 19.4
DK Chares	Ganadian Exempt 3 40.55 41.66as 42.94 +0.26 31 UK C European Exempt 3 48 47 49 47 ± 50.99 +8.73 3 4 UK C	2014 (Ind) 5 \ [271.70 121.70 130.20] -240[2.38	Acces - 51 167.4 168.24 177.0 -0.6 1 23	TRILE: The time shown attacked the fact consider to the fact consider's rates to like time of the unit tace? On the symbol attacks another time is indicated by the symbol attacked the indicated and truck course.	MOPS.	Secrial Stantion 542 99.60 99.66 106.0 46.2(1.02 De	Accommendate 6 (203.46) (202.46) (216.444) (10.18.144) S (10.18.144) (202.25) (202.2
Flancist	Consistent Unit Tst Mingt Co Ltd (1200)F 1 Water Hart Yd, London Bridge SEI List 071 407 5066 Consistent UT	Section Sect	Units 5-1 172.4 183.4 633 Cos 5-5 187.8 67.8 58.9 6.65.89 Units 5-6 182.1 182.1 188.6 -0.91.03 Units 5-6 182.1 182.1 188.6 -0.91.03 Units 5-6 182.1 182.1 188.6 -0.91.03 Units 5-6 47 21 47 21 50 22-27 10 50 Extraction 5-6 47 21 47 21 50 22-27 10 50 Extraction 5-6 47 21 47 21 50 20 12 50 Extraction 5-6 47 21 47 21 50 20 12 50 Extraction 5-6 18 50 60 20 50 5151 Extraction 5-6 18 50 60 20 50 5151 Extraction 5-6 18 50 60 20 50 5151 Extraction 5-6 18 50 18 50 60 20 50 5151 Extraction 5-6 18 50 18 50 60 20 50 5151 Extraction 5-6 18 50 18 50 60 20 50 5151 Extraction 5-6 18 50 18 50 60 20 50 5151 Extraction 5-6 18 50 18 50 60 20 50 5151 Extraction 5-6 18 50 18 50 60 20 50 5151 Extraction 5-6 18 50 18 50 60 20 50 50 50 50 50 50 50 50 50 50 50 50 50	have (4) - 1101 to 1400 hove (4) - 1401 to 44	Life Assumes and Talk Travil printer Pagnileutins, the Paint, 3 New Chinel Masset, Lumber WCH, 10gs 1 871 — 278 — 9444.	10 10 10 10 10 10 10 10	Access 6 40.2 40.0 47.74.72 47.2 47.2 47.2 47.2 47.2 47.2
Month American	Tomic Otal Sept 28 . 0 559 A 559 A 577 3 159 S 66ee 6	r Production . 55, 190.09 40.09 40.09 10.00 10.00 Fair Em Post Chin				occus (005)541130.0 150.7 131.01-100214 • 00.	
	<u>.</u> .						

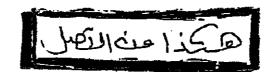


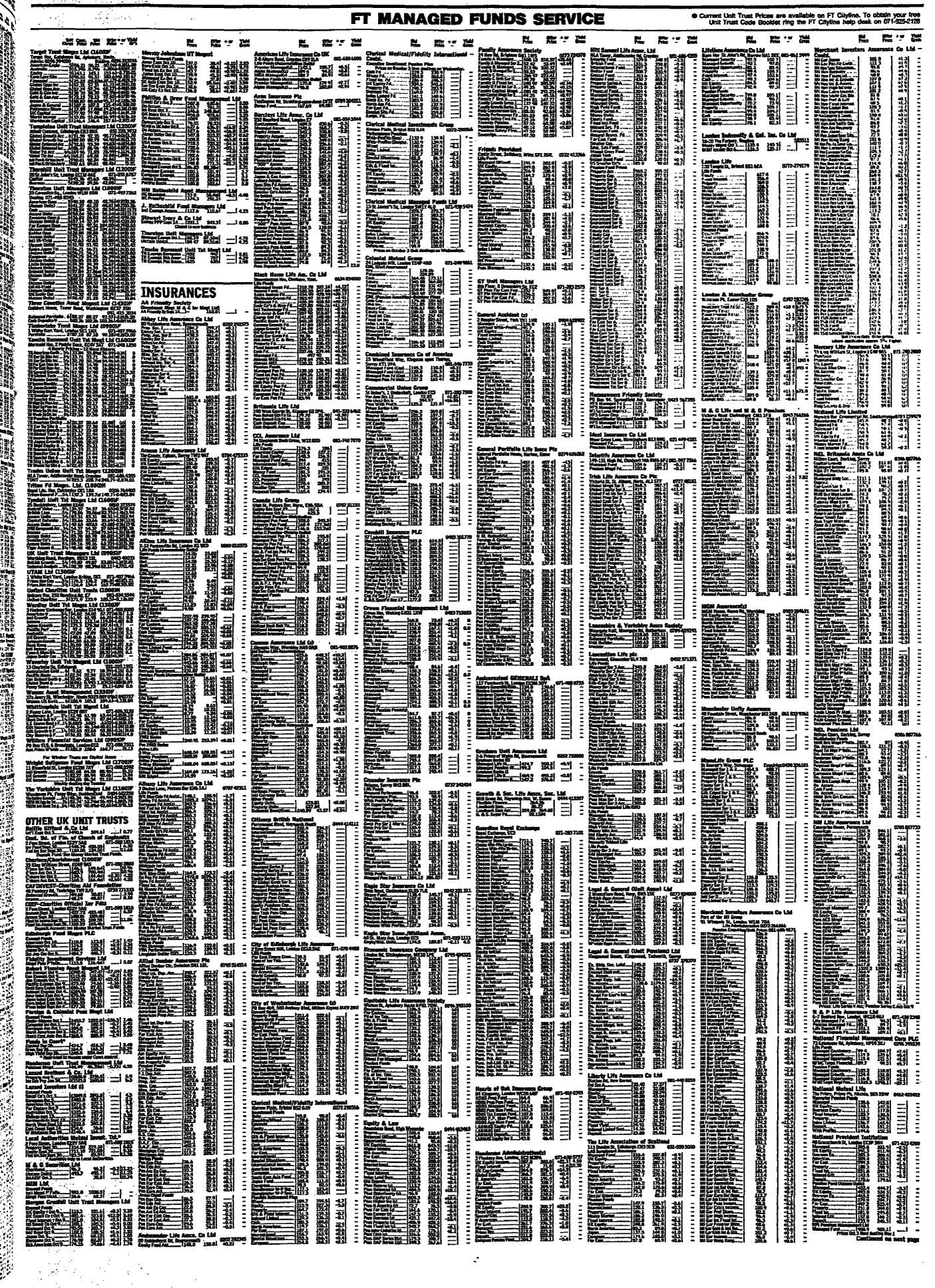
ENDAY OCTOR

A Control of the Cont

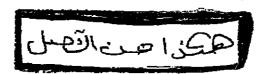
A CONTRACTOR OF THE PROPERTY O

5.0 10. 美国 ASTROPOSIDE





Bid Office + or Yishid Bid Sifter + or Yishid Shid Price Price - Gross Price Price - Gross Price	Offer + ar Yield Mile Picke - Grant Picke - Pi	T Yield Sid Ster + or Yield St	Eid Offer + or Yield Price Price - Ges	His No Cast File All . T	
Norwich Union Asset Management Ltd Providence Capitol Life Asse. Co Ltd — Royal Life Insurance Ltd P0 Box 140, Remich RR3 1PP 0603 660787 Control. Managed Fundament Ltd Providence Capitol Life Asset. Co Ltd — Royal Life Insurance Ltd Rev Rail Place, Liverpopt 169 3 Managed Fundament Ltd Rev Rail Place Liverpopt 169 3 Managed Fundament Ltd Rev Rail Rev	Standia Life Assurance Co Ltd - Con 6 051-239 3000 Far End Income. 104.0 109.4 6 614 98 - 614 6 Fed Interest. 100.9 106.2 6 501.0 614 10 10 10 10 10 10 10 10 10 10 10 10 10	td. Sen Alliance Green-Cortel. Window Life A 1.4 - Pleaste Persian Funds 1.3 - Sential Megat. 166.5 175.3 -2.0 - American. 6.4 - Building Society 181.5 191.0 - Building Account 0 6.7 - Equity 194.0 204.2 - 3.1	Hart, Stronshire 0952 292929 PO Box 77, New Agenton St	International Life J. D. Ward Financial Services List D. Ward Financ	D
Biorth American Famil. 47.5 52.6 40.5 Property Acc. 208.6 220.1 40.2 6817 med. 175.7 Pacific Fund. 50.3 52.6 40.1 Money Acc. 10.6 10.6 10.6 10.7 Property Fund. 50.3 52.6 40.1 Secolal Market Acc. 10.3 20.1 10.8 10.8 Fund Interest Fund. 52.6 53.6 10.1 10.8 10.8 10.8 Fund Interest Fund. 52.6 53.6 10.1 10.8 10.8 10.8 Fund Interest Fund. 52.6 53.6 10.1 10.8 10.8 Fund Interest Fund. 52.6 53.6 10.1 10.8 Fund Interest Fund. 52.6 53.6 10.1 10.8 Fund Interest Fund. 52.6 53.6 10.1 10.8 Fund Interest Fund. 52.6 53.6 Fund Interest Fund.	233.0 190.0	0.9 - Monty 1968 1968 - Poly Man Aur Peul 1.4 - Proper to 1964 1964 - Gill 2.5 - Frant Sparks Managed 1551 6 1963 407 - Ground Rent & Gill	1116 1168 - Target Inte	Table 1 To 2007 To 2007 To 450751 OFFSHORE AND	*
### ##################################	56.4 40 heaves 121.5 127.8 4 279.2 40 American Scale of L. 17.7 77.5 - 26.6 -2.0 American Scale of L. 17.7 77.5 - 20.6 -2.0 American From 172.7 38.7 4 20.2 Copital 172.7 38.7 4 20.3 20.3 20.4 20.4 20.4 20.4 20.4 20.4 20.4 20.4	2-9 - GT Special Megal. 140.3 147.6 40.1 - High Inc. Flood inf. 2-7 - GT Special Megal. 140.3 147.6 40.1 - Holge Found Call. 2-7 - GT Acceptal. 174.8 194.0 -2.5 - Initial Post Units. 2-7 - GT European. 199.5 199.2 40.6 Innextor Units.	17.0 12.2	OVERSEAS	
Dropal Fraid. 178.8 40.1 In Find Interest Acc. 151.5 52.3 40.1 Royal Liver Assurance Royal Fraid. Royal Liver Building Urbanous Royal	Extra incores	0.0 — GT 15 & General 193.6 203.7 +1.1 — Open Plan Mange Fi 0.6 — GT 15 & General 196.40 103.5 +0.6 — Pacific 4.0 — Property Green Like Page 6	1. 00.5 1770 — Damper Dele 177.6 182.7 — Damper Dele 1. 176.4 — Damper Dele 1. 176.5 176.7 — Damper Dele 1. 176.7 — Damper	BERMUDA GIB RECOGNISED	
Sorry Street, Norwick NRC 3NG 0603-62200 International Follows	643 - Hangel Eschent Faib 9 84.7 - 4 125.8 - 1 125.4 125.5 125.4 125.5 125.4 125.5 1	14 - Actuarist	Wiesen Social	Sts (1.02 1.06) - Gries Frank Limited. 20 10 0.750 - 6 Frank St., Hamilton, Hill I Bernell. 807 225 400	7 7 :
Exception 1 (2) 21 (2) (2) (2) (2) (2) (2) (2) (2) (2) (2)	Global Inc & Garth 118.3 126.5		111.4 117.2 OFS Mind Grant 1101.0 106.3 OFS OF Balance May Composite May Composite	DATE STATE THE PROPERTY OF THE	
With Profes Fel. 128.4 145.83 40.05 56 F Ordenissanon 117.9 121 Gill Fel. 128.4 145.83 40.05 56 F Berbaren 117.9 121 Gibbs Seetly Fel. 118.4 F Group Fel. 127.27 149.79 - 3.26 F Madeum Growth 187.0 121 F Property Fer. 91.0 Earthwest Fel. 127.23 13.93 40.07 56 F Madeum Growth 187.00 f Fer. 91.0 127.23 13.93 40.07 56 F Madeum Growth 187.00 f Feb. 127.20 56 F Madeum Growth 187.00 f Feb. 127.20 f Feb. 127.20 f Feb. 127.20 f Feb. 127.20	2070-766965	Company Comp	\$6.500 6.845 X.III \$2,480 2.615	GUERNSEY (SIB REDIGHISED)	
Fixed let, Fd	128.8 40.6 — Cay Sirat Ass Dollar 78-3 101.3 — 129.9 — 0.6 — Cay Sirat Ass Dollar 78-3 101.3 — 129.9 — 0.6 — Cay Sirat Canadian 78-6 82.7 — 111.5 2 — 0.2 — Cay Sirat Foreign Sitts 78-5 49.2 — 0.2 — Cay Sirat Foreign Sitts 78-5 49.2 — 0.2			EMENT SERVICES Adapts: A. Monito Fd Marcatt Generatory University Control of the	
Property Faul 182 745 45.1 Property Faul 182 77.2 77.2 182 77.2	Designation	0.41 - Smillfe of Camada (UK) List San 305. 9.21 - Basing View, Basingstone, RG21.207. 0256 B91.414 San 4 Co. 8.21 - Napht Last Plans.	1576 1449	Greek PLL	15 109- 75 50 -
With Profits Find		Greeth Account 972.8 11.8 Scring Field Int. 975.6 15.5 Hansaged Excess 135.4 12.1 975.4 12.1 975.4 12.1 975.4 12.1 975.4 12.1 975.4 12.1 975.4 12.1 975.4 12.1 975.4 12.1 975.4 12.1 975.4 12.1 975.4 12.1 975.4 12.1 975.4 12.1 975.4 12.1 975.4 12.1 975.4 12.1 975.4 12.1 975.4 12.1 975.4 97		Gratistal invests measures (characters) in the control of 453 (characters) in the cont	
Early Gress	249.7 +0.3 - European Srn. Cos	172.4 181.3 40.4 Gabial Signing Fd.	Si. 000		TM
Girk 6 F of Interests 1884 14.9 -0.9	203.0 -3.8 — Hong Rong	1.3	r S1296 +0.006 - James Carre	w & Company Ltd. **Company Lt	# 14. F628
Description	194.7 +1.4 European Special 119.5 112.4 194.7 +1.5 Eutra incomp. 95.0 99.9 20.3 17.6 -1.3 Eutra incomp. 95.0 99.9 176.8 -1.3 Georgia 110.7 112.3 110.7 112.3 124.2 -1.4 - Git Webd 102.2 127.5 127.5 127.7 - Global Incomp. 30.0 92.6 120.7 120.5 120.	Uni. Pero. Grd. Fet. Acc. 130.6 137.4	Co Ltd	100m. 144.1 152.6	
Property Matteral Instrument 10.5 10	147,000 10,003 148,000 10,000	Cash Acc. 244.5 257.4	0.450	Del Monog Find 120 120 121	79 11 35 56 66 67
Post FT/10 Ft defaul 121.9 123.4	1928 -0.0 - Shanka 888 Britania Fesh 1487 -0.3 - Great British Gr. 88.0 92.6 + 22.48 +0.02 - Sanifer Companies. 123.7 190.2 + 22.49 - Special Festives. 67.6 77.1 + 100.3 -0.4 - UK iscome. 221.4 251 14. 237.7 -0.0 - Extra broaves. 172.8 202.9 +1 167.5 -1.1 - Iscome and Greated. 223.3 25.0 +1	Index-Listed Acc. 134.5 -0.1	S1.049 1.128 — Edithorph I 60.512 0.545 — 41a Gardette S 60.376 0.624 — Select Portfolio 60.484 0.518 +0.002 — Fairmann (Second 164.44 -4.5 Second First Firs	67 17 10 36 56
Premium Life Assurance Co Ltd	Gilt. 1285 131.0 146.5 146	Gross for individual montes contents Hughs is Bool Set Contents of the	6. 60.551 0.544 - Secure 50.457 0.469 - Grueth 50.414 0.441 - Gartmara F 7. 0.426 0.458 - Safegard, ed 7. 0.808 0.575 - Safegard Feet	### Globel Lebert Prof \$-35.44 00.1001-09.11 ### Globel Lebert Prof \$-35.44 00.1001-09.11 ### Globel Lebert Prof \$-35.44 00.1001-09.11 ### Globel Research Prof \$-35.44 00.1001-09.11 ### Globel Research Prof \$-35.44 00.1001-09.11 ### Globel Lebert Prof \$-35.44 00.1001-09.11 ### Globel Le	5 4
Gartsore lengt	Acceptant Growth 198.8 114.5	Pers. Fire Entire Acc., 42.12 46.1. Hupter Universal.	# Financial Services 1 Financial Services	Final Color 1.00 - 4.02 2.00 3.00 4.07 4.6470 4.00 3.00	70 14 14 15 15 15 15 15 15 15 15 15 15 15 15 15
Property 277.0 313.0 -1.0 -2.0 -1.	2013	20	B. 33.962 1072 -0.094 - 15 Magedwater in B. 30.965 0.963 -0.094 - 195 Seed Fat B. 30.965 0.963 -0.094 - 195 Seed Fat CS.142 5.400 -0.128 - 195 Magedwater B. 40.974 5.416 -0.127 - Recommended (London Will Shi:	- FENDERS
19.0 19.0	200.8 -	A	Mill Lift Assoc Ca Lift Select Spirits: Pct kill; Despise; lobi 0629/78877 Johnson Fry St. 160 96.27 Derised its 251 Derised its 251 Derised its 251 Type Mill Mill Ca Type St. 160 Lift Mill Mill Ca Type Ty	Color Colo	1961111
Frobitor Hts, Relson Gate, Southeamates C703 232325 Pens Index LE Del 9 172-0 181.7 Pens Index LE Del 9 181.7 Pe	1112.9	1.5 OK Equity Position 105.59 O.10 Sertiley Depart.	77.5 6.1 — J. Fry Scoret- 57.5 6.1.8 — J. Fry Recently, 66.8 70.7 — Knight William 161.6 Fee Bond S Landon Wills 7888 6774-53 6776 - KW Friedrick Frederick 185.4 — KW Friedrick Frederick Fred	76.4 20.4 - Lespaid Joseph Fond Simpat Generally Life Company Life Po Re 244, S. Pater Port, Generally 940,17,277. Letter London Wiff Old. 671-403 1135 L. J. & Sterning Pold 15, S. & 27, 37 15, S. & Sterling 10, 14, 15, S. & Sterling 10, S. & Sterling 10	Min.
Cardion Fulls File	194.4 197.8 198.4 197.8 198.4 197.8 198.6 198.	TSE Life Ltd: Currhon Pi Anticer, Rants. SP10 IRE C254,56789 Corrhon Pi Anticer, Rants. SP10 IRE C254,56789 C2	219.6 -	19.9 19.9 19.9 19.2 Sarias Fears: 0 19.642 36.07	11 12 13 13 13 13 13 13 13 13 13 13 13 13 13
Descript	131.1	Uniterview Uni	sus by Providence Capital Int. 100 1	10.30 10.3	
Preliffic Life & Persions Lid Stammayare Kontall, Carobinia LA9 48E 6539 733733 Series 2 prices Pers disportantly Faul. 125.6 Pers disportantly Faul	164.9 - 3.0 Prestige TRAIL Protein (68.9 72.5 1.0 12.7 12.5 1.0 12.5 12.5 12.5 12.5 12.5 12.5 12.5 12.5	Target Life Assurance Co Ltd Scoring Control Con	10.127 0.194	22113.9 113.9 123.113.0	7
Cash Fd	1727 321 158 Bropes 24.1 130.6 -	1.55 1.55	St.	US note:	100 X6 1
Technology 1223 1221 -0.9 -0.	131 Section (196 171 172 172 173 174		DMOLIZE COOP - Burgoe 2000 CA. Strong Frank	102.4 99.1 90.1 Usyrds Inti Hencey Harkot Fami Ltd 102.5 Savia He, L' Tracht, S. Peter Per, Georgiell 724923	5 alle
Managed Old	1983 - Pacific Performance 6.8 70.3 -0 72.9 - Singaror & Malayda 72.9 83.0 -1 92.1 - 5.5 90.0 -1 92.1 - 5.5 90.0 -1 92.1 - 5.5 90.0 -1 92.1 - 5.5 90.0 -1 92.1 - 5.5 90.0 -1 92.1 - 5.5 90.0 -1 92.1 - 5.5 90.0 -1 92.1 - 5.5 90.0 -1 92.1 - 5.5 90.0 -1 92.1 - 5.5 90.0 -1 92.1 - 5.5 90.0 -1 92.1 - 5.5 90.0 -1 92.1 - 5.5 90.0 -1 92.1 - 5.5 90.0 -1 92.1 - 5.5 90.0 -1 92.1 - 5.5 90.0 -1 92.1 - 5.5 90.0 -1 92.1 - 5.5 90.0 -1 92.1 - 5.5 90.0 -1 92.1 - 92.1	178.4 187.8 = 5.464y	50.707 0.760 -0.005 - Mertham Bir	ge & Partners Rev Zestand Dolter + 225 - 61.864 1511	10 10 10 10 10 10 10 10 10 10 10 10 10 1
Carry Period P	21A2 — Balancei Hamand 340,3 379,2 412 225,0 — Challen Manyel 442 221,1 — Challen Manyel 442 221,2 — Challen Manyel 442 221,3 — Challey Manyel 422 221,3 — Challey Manyel 422 221,4 — Gartnere Manyel 422 221,7 — Edward Front Manyel 422 221,7 — Edward Manyel 422 221,7 — Edw	Alpha Funds	\$4,786 5.040 +0.005 - Down Scot Eq. Pt 5. 50,678 0.714 +0.001 - Down Scot Eq. Pt 5. 50,678 0.924 +0.032 - PRP Fund M	rl. 96.1 101.1 -0.9 - M & Gintermany 1.00 7.2 93.3 109.4 -0.9 - Westhours, The Gramp, S. Peter Perr. 5481 727111 8a. 64.7 64.2 43.2 - Bissal	
Sectal Six Pear No. 40 5 5 5 5 5 5 5 5 5	Committeed Fd 1993 75.6 79.5 +1	2) _ Alpha Prusha Prush	pice Int Light Floor State Manager Boat.	y Figureia Services Ltd Rethschild Asset Management (CI) 11d	
Humbert Growth 60 0 34 30 Punior Funds 187.2	99741 -501 -	Teachers' Assurance Community I fel	Accept acres 2 Carrier T C		
Barter Aer, Soedberd SC 2011 In Man Promote F	401.7 -0.6	25 2502 Pentions Managed 110.7 114.5 45.1 GT Managed Deltar. Af — Pentions Each 127.3 134.6 40.4 Hoteless May Salas. 1 — Templeton Life Assurance Limited 5 0 Union Street, Oktom 01.1 117 66.624 7299 Pentions Canada	116.0 125.0 +37.0 - Rexherough	Triangle Management Lid	4
In this Description 10 10 10 10 10 10 10 1	146	Life Funds 100.21 106.61 0.03 P0 Ber 121, S Peter 100.21 106.61 0.03 Estimated 100.21 106.61 0.03 Est Statement 100.21 106.61 0.03 0.03 Est Statement 100.21 106.61 0.03 Est Statem	International Ltd	NO. 120.7 403 - NCSR SV. 542.8 40.228 408.43	5
Pers Acc Region 1803 1973	Pandor Fai lit	0 - Gobel Grovert 100.29 196.69 40.94 - Sind Stock into 196.89 40.94 40.94 40.94 40.94 - Sind Stock into 196.89 40.94 4	12 267 1304 Do Target hall 22 265 2 756 Do San Hall 25 265 2 756 Do San Hall 25 265 1051 Do San Hall Mass Life.	14.0 17.1 44.6	
Monte Arc. 127 2 127 0 Garbeere Frank	100.4 -15 - 99.8 -19 - 1 Ltd (2) Sun Allianice Group 1 Ltd (2) San Allianice House, Horsham 040	Timbridge Weils Emitable Sinti Property Abby Court, Individue Weils G892 513353 Sinti Property S	11 910 2.054 Spectrum Safety Do Beltsced Do Adventurous	444.4 521.6 627 0027-500	
Festivatival Prop Acc. 97.5 107.5 107.5 107.7 107.	284.3 48.0 * Depth 222.6 244.9 ** 784.4 +2.3 - Egyty	De Standard	50.440 1.001 - 12 Neutrall Street St.440 1.001 - 14 Street Mar Oprical Mar Pets Mar NM	E.J. & Ca. Brophophon 53 SER GZI 200 2244 GCF1 Ser Bold 51 165.52 GCF1 Ser GZI 200 2244 GCF1 Ser GZI 200 2244 GCF1 Ser GZI 200 2244 GZI 200 2245 GZI 200 225 GZI 200 225	
HIP Managed Age.	107.5 -0.3 - jejerotjeni Sond 543.45 -0.1 80.2 -0.8 - Paring Parin	Managed inhibit	L (1.145 1.225 10.016) — Repul Heritage L (2.445 1.342 10.009) — Silvata Manageri L (2.101 1.104 10.016) — Silvata Manageri (10.446 0.445 10.004) — Silvata Manageri (10.446 0.445 10.004) — Silvata Manageri	OF. 99.4 94.4	;
Special Blanket Laistal 95.2 -0.1 - Annothing Growth 92.9 -0.7 - Util redge Magnitur 192.0 - 192 redge Magnitur 192.0 - 192 redge Magnitur 192.0 - 192 redge Magnitur 192.0 - 192.1 - 192.2 redge Magnitur 192.0	61.9 40.9 - Hanned State 32.5 - 3.72.7 - 0.3 - Hanned State 32.5 - 3.72.7 - 0.3 - Hanned State 32.5 - 3.72.7 - 0.3 - Hanned State 32.5 - 3.72.7 - 3.64.3 47.0 - Septia State 32.5 - 3.65.5 - 3.6	80.4 84.7 40.6 - Lacons Ind., Fd.		December 1985 70W 0977 640333 European Famil 514 785 128 129 148	
Caropean Strike 1970 110.5 110	104.4	Technical Capital	Life Assurance Ltd Carney Citacan Color Co	SALIX WAS BEEN SEY GESULATEDAY	
Busher Franks Heart School State May 2 Section Counties May 2 Section May 2 Section May 2 Section Counties May 2 Section May 2 Sect	86.9 -29 - Fram Remarkery Fa. 118.0 134.3 40 70.4 42.3 - 67 Special Bibod. 97.80 105.1 40 92.1 40.9 - 47 August Special Bibod. 79.80 40.2 40.4	Section	20.750 1.094		,
19 19 19 19 19 19 19 19	102.1 -3.3 -67 Caystel 122.0 121.0 -2. 84.0 -2.9 -67 Far East & Sem 121.7 128.2 41. 52.2 -2.7 -67 Far East & Sem 121.7 128.2 41. 52.2 -2.7 -67 Far East & Sem 121.7 128.2 41. 52.2 -1.1 -67 Far East & Sem 121.3 127.4 40. 121.1 -51 -57 Far East & Sem 15.3 127.4 40. 121.1 -1.1 -7 Far East & Sem 15.3 127.4 40. 121.1 -1.7 -7 Far East & Sem 15.3 127.4 40. 121.1 -1.7 -7 Far East & Sem 15.3 127.4 40. 121.1 -1.7 -7 Far East & Sem 15.3 127.4 40. 121.1 -1.7 -7 Far East & Sem 15.3 127.4 40. 121.1 -1.7 -7 Far East & Sem 15.3 127.4 40. 121.1 -1.7 -7 Far East & Sem 15.3 127.4 40. 121.1 -1.7 -7 Far East & Sem 12.5 40. 121.1 -1.7 -7 Far East & Sem 12.7 12.7 40. 121.1 -1.7 -7 Far East & Sem	Westerran Assurance Speciety Colonore Circs, Berninghan, 84 64R Colonore Circs, Berninghan, 85 64R Colonore Circs, Bernin	1.126 2.112 1.700 1.70	American	

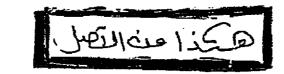


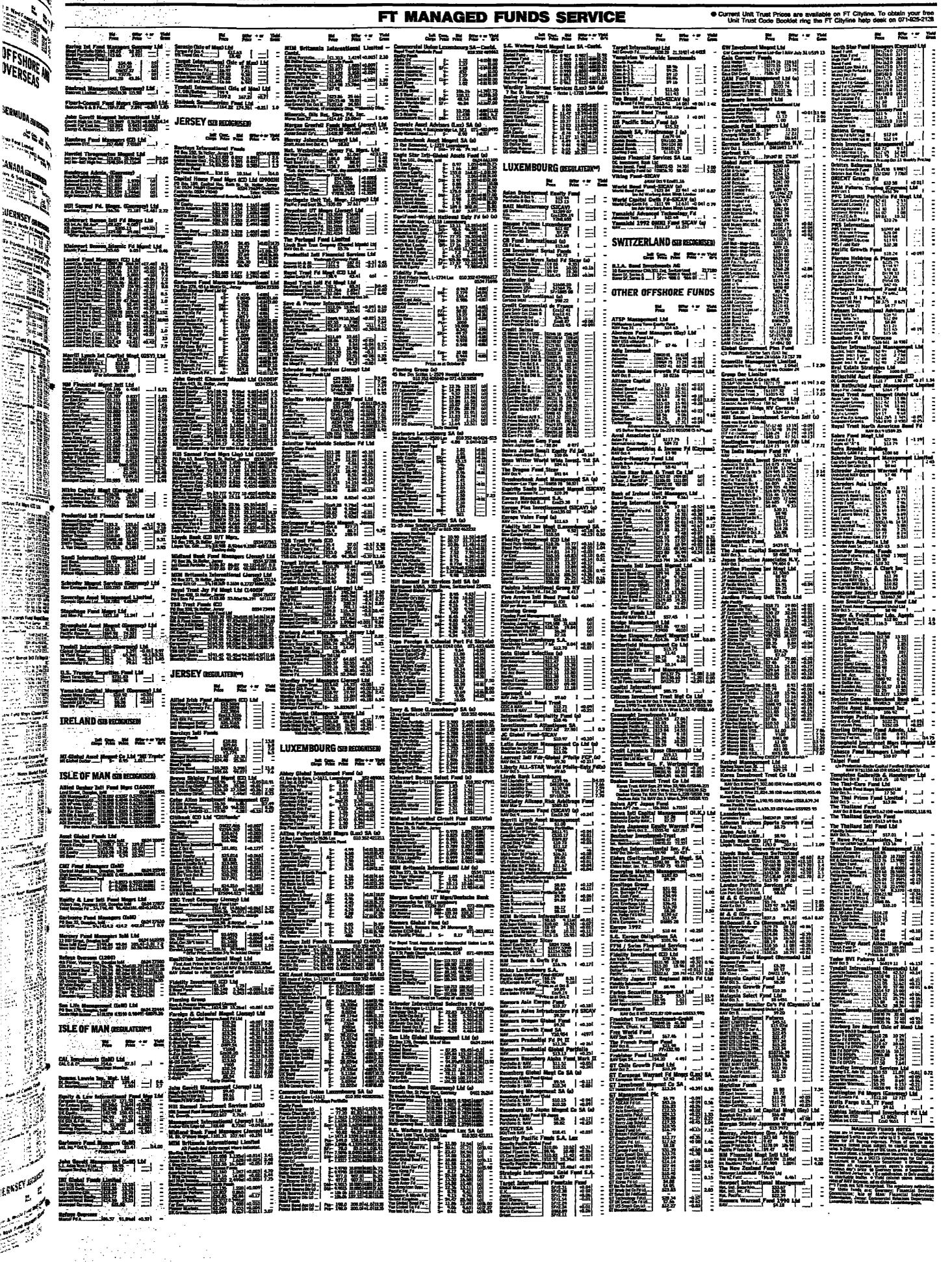
WERKET WERE

UERNSEY CARROLL

A STATE OF THE STA

The state of the s





CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and sterling retreat

THE DOLLAR and sterling lost ground yesterday, with the US currency falling to a record low against the D-Mark, while the Bank of England supported the pound as it hovered just above the DM3.00 level

President George Bush signed an emergency budget bill enabling US Government departments to keep function-ing, but the markets were scep-tical about the likely success of a credible budget cutting agreement by the time the interim bill runs out on October 19.

An effective budget package may lead to lower interest rates, putting downward pressure on the dollar, but the currency is also suffering from the perceived lack of cohesion in US policy making.

After falling to a record trading low of DML5195 the dollar finished in London at an all time closing low of DML5555

time closing low of DM1.5255 compared with DM1.5345 on Monday. In Frankfurt it was fixed at a record low of DM1.5293 without intervention by the Bundesbank. Against the Japanese yen the US cur-rency declined to Y130.30 from Y130.65, but finished about the Tokyo close of Y129.95. It also fell to FFr5.1050 from FFr5.1375 at the London close and was fixed in Paris at FFr5.1185, the lowest level since April 1981. It

£ in New York				
Oct.9	Latest	Previous Close		
£ Spot	1.9750-1 9760 1.00-0 98pm 2.63-2.60pm 8.45-8.35pm	1.9740-1.9750 1.01-0.99pm 2.62-2.58sm 8.50-8.30pm		
Forward premis	es and discounts ap	ply to the US dolla		

STERLING INDEX				
		Oct9	Previous	
8.30 9.00 10.00 11.00 Ness 1.00 2.00 3.00 4.00	201	%0 %3 %1 %1 %1 %1 %1 %2 %1	97.3 97.1 97.3 97.0 96.9 96.7 96.5 96.5	

CURRENCY	MOVE	MENTS
0c±9	Bank of England Index	Morgan Guaranty Changes %
Sterting U.S Dollar Canadian Dollar Canadian Dollar Antyrian Schilling Belgian Frasc Danish Krone Destsche Mark Selss Franc Galider French Franc Lira Yen	96.1 60.9 102.4 109.7 111.6 118.8 115.5 114.4 105.4 99.2 134.4	-16.5 -17.7 +0.7 +1.5 +2.5 +2.4 +2.6 +2.5 +1.5 -10.0 +67.2
Morgan Guaranty 1982=100, 8,mt of 1985=100, **Rates as	changes: a England Index re for Oct.5 .	rerage 1980- (Base Average

CUR	ren	CY RA	TES
Oct 9	Bank rate	Special * Orawing Rights	European t Carrency Outl.
Sterilory U.S. Doefar U.S. Doefar Considian S. Austrian Sch Belgian Franc Danish Krone Desische Mark Heth, Galider French Franc Lapanese Yes Korway Krone Spanish Yesta	7 12.82 55 10.50 7.00 12.5 6 8 -	0,739483 1.41574 1.63376 15.2773 44.7374 8.29340 2.17288 2.44781 7.26982 N/A 189.214 8.45480 136.298	0.685487 1.35212 1.55602 14.5262 14.5262 14.5262 7.87582 2.06537 2.32809 6.91476 1548 86 176.520 7.98334 124.871

- WH 20	K (1995 SA)	; IDF UGLS	
ΛТШ	ED C	4 IDDEN	CIES

Oct. 9	3	S
Argentina	10774 0 - 10858.5	
Australia Brazil	2.3650 - 2.3670 172 65 - 174 15	1.1930 - 1.1996 87 50 - 83 20
Finland	7 1105 - 7 1240	
Greece	298 40 - 303 20	151 00 153.4
	D5.2890 - 15.3030	7.7535 - 7.755
lean	128.90	45.30°
Kcrea(StN)	1396.00 1418.50	711.00 716.6
Langit Languntaans	61.80 - 61.90	N/A 31.35 - 31.45
تناهادا	53135 - 53265	2695 - 2698
Mesico		2900 00 - 2910
# Zealand	3 1790 - 3.1840	1 6105 - 1 612
Swedi &r	7 4370 - 7 4530	3 7490 - 3 750
Singapore S.Al (Cm)	3 4075 - 3 4155 4 9925 - 5 0050	1.7380 - 1.730 2.5365 - 2.537
SAFTER)	7 505 - 7 495	3.7245 - 3.795
Tawn	52 30 52 45	27 25 - 27 30
U A E	7.2165 - 7.2550	3.6700 - 3.673

also	weske	neđ	agains	t the
Strice	franc	to S	Fr1.277(from
			ollar's	
	CO O A			

fell to 60.9 from 61.0.

The Bank of England bought a small amount of sterling. according to dealers, but this appeared to be a move to steady the currency after its recent volatility, rather than to defend any particular rate. Selling of the pound was seen from a large Middle Eastern bank, probably to take profits after sterling's sharp rise on joining the exchange rate mechanism of the European

Monetary System. Dealers suggested that despite the short-term protaking, there is also strates buying of sterling at pression the belief that it will moup again once the dust creat by ERM entry has settle within the system the pour was 2.37 per cent above its creat against the weaks tral rate against the wea

EMS EUROPEAN

placed Italian lira, against 294 per cent on Monday.

The pound touched a low of DM2.9975, but traded slightly above DM3.00 for most of the day, closing at DM3.0050 against DM3.0300 on Monday. Sterling also fell 35 points to \$1.9705, while declining to FFr10.0600 from FFr10.1425, to SFr2.5175 from SFr2.5350; and to Y256.75 from Y258.00. The pound's index shed 0.4 to 96.1. pound's index shed 0.4 to 96.1. Other members of the ERM traded fairly steadily, but the D-Mark was given a mild boost by the weakness of the dollar. The French franc was also firm, prompting some specula-

rofit tegic sent, nove ated tled. ound cen- kest	est rates the Frence ruled out because of call mone yesterday,	in Paris. The Finance an early of the Gulf The Fill to 9 Below the control of	Idal inter- Last week e Ministry sut in rates crisis, but in per cent the Bank of the interven-	
CUR	RENCY (JNIT RA	TES	
emency engants stast, Eco Oct. 9	% classige from central rate	% spread turrency sarrow band turrency	Divergence indicator	
129.871 1.685487 42.4905 6.91476 1.769914 2.06537 7.87882 2.32909 1548.86	-281 -1.64 0.21 0.23 0.33 0.46 0.59	3.61 2.37 0.48 0.40 0.25 0.23 0.22 0.29	8月구구구구주목	

POUND SPOT - FORWARD AGAINST THE POUND						
ke 9	Day's spread	Clase	Date month	% pa	Tiree montis	% PA
	61.70 - 62.20 11.44½ - 11.50¾ 1.1190 - 1.1260	19700 - 19710 22890 - 2299 3394 - 3394 6180 - 6150 11444 - 11455 1195 - 1125 1195 - 1125 1195 - 1125 11052 - 11651 11652 - 11652 11652 - 11652	1000 from 0.550 Albon 13-13-pe 13-13-pe 43-13-pe 14-13-pe 14-4-pe 14-4-pe 14-4-pe 14-4-pe 14-4-pe 14-13-pe 13-13-pe 11-13-pe	6.00 2.75 5.95 5.4.19 4.55 4.56 4.56 6.65 6.65 6.65 6.65 6.65	261-258pm 127-112pm 41-44pm 75-55pm 121-112pm 110-100pm 25-74gpm 25-74gpm 25-74gpm 101-74ppm 51-45ppm 311-25pm 311-25pm 41-4ppm 311-25pm	5.27 5.33 4.33 4.35 5.75 6.33 5.76 6.33 5.76 6.33 6.33 6.33 6.33

DOLL	AR SPOT	- FORW	ARD A	GAINST	THE D	OLLAR	
Oct 9	Day's Spread	Close	Ope s	poets P.	Three mostik		
UKt	1.9695 - 1.9780 1.7540 - 1.7620	19700 - 197 17600 - 178	10 0.34-0	1.97cpm 6.0 1.29cpm 2.1	1121	02m 243	
Canada Netherlands .	11495 - 11520 17150 - 17240	1 1500 - 1 15 1 7185 - 1 72		0.47cds -4.7 0.04cds -0.1	0.16-0	1966 -0.41	
Belglom Desenark	31.30 - 31.45 5.81 - 5.834	31.35 - 31.4 581 - 581		3.00cds -0.7 15oreds -2.0	ī 230-3	20ds -2.06	
Germany Portugal	15195 - 1.5295 134.10 - 134.65	1.5250 - 1.52 134.10 - 134	60 0.02-0	04pfdls -0.2 -88eds -7.2	0.16-0	25ds -7.16	
Spain	95.70 - 96.20 1139 - 11464	95.80 - 95.9 1144 - 1144	ō l 49	-55mis -6.5	1 140-	53ds -6.11 90ds -2.24	
Horsey France	5.091 - 5.911 5.091 - 5.12	590 - 5.90 5.10% - 5.10	1702	20 reds -2.0 10 oreds -3.8 1.75 cds -1.7	4.60.5		
Sereion	5.62 - 5.644 129.60 - 130.85	5.62 - 5.6	3 210	2.37cds -4.7 1.03mm 0.3	7 7 70 7		
Austria	10.71% - 10.75% 1.7720 - 1.2800		72 0.25-0.0		3 1 1 1 50 2	50ds -0.75	
Suitzerland . ECU	13555 - 13605	1.3595 - 1.38	05 0.21-0	1.20 cm 1.8	0.66-0	660m 1.97	
Commercial Forward pres	ates taken towards nlaces and discounts	the emi of Londo apply to the US	e trading, † Vi dollar ged net	C, irrised and its the individual	CO are quoted il currency.	in US currency.	
	EURO-C	URREN	Y INT	EREST	RATES		
Oct. 9	Oct 9 Short, term		One Month	Tlarer Mostis	Six Mostles	One Year	
Sterilon US Dollar Cas. Dollar D. Golder	15-125	124 - 12 ¹ 2	133 - 132 81 - 83 127 - 124 81 - 81	133 - 138 84 - 84 124 - 124 84 - 81 84 - 78	133 - 134 84 - 84 123 - 112 84 - 85	134 - 134 115 - 115 115 - 115 81 - 88	
Sw. Franc Deutschmark, Fr. Franc Italian Lira		1 104 - 94	711 - 711 85 - 84 94 - 95	10 - 93 10 - 104	84 - 84 83 - 84 102 - 104 114 - 104	82 - 82 9 - 83 103 - 103 114 - 114	
Belgian Franc Yen D. Krone Asian SSing		9 87	9-87 73 - 73 104 - 104 84 - 84	91 - 84 84 - 84 101 - 101 81 - 81	91, -91, 83, -84, 101, -105, 81, -8	95 - 95 84 - 83 104 - 104 84 - 84	

EXCHANGE CROSS RATES												
0u.9	3	5	DM	Yen	F Fr.	S Fr.	H FL	Ura	C S	B Pi		
£	0.507	1971	3,005 1,525	256.8 130.3	10.06 5.104	2.518 1.278	3.388 1.719	2255 1144	2.269 1.151	61.8 31.3		
DAR YEN	0.333 3.894	0.656 7.675	11.70	85.46 1000.	3.349 39.17	0.838 9.805	1 127 13.19	750.4 8781	0.755 8.836	20.5 240.		
F Fr. S Fr.	0 994 0.397	1.959 0.783	2.987 1,193	255.3 102.0	10. 3.995	2503 1	3.368 1.346	2242 895.6	2.255 0,901	61.4 24.5		
H FI, Ura	0.295 0.443	0 582 0.874	0.887 1.333	75.80 113.9	2.969 4.461	0.743 1.117	1.502	665.6 1000.	0.670 1.006	18.2 27.4		
C S B Fr.	2441	0 869 3.187	1 124 4.859	123.2 415.2	4.434 JA.27	2 130 4.071	1.493 5.478	993.8 3646	3.669	27.2 100.		

		HE CALT F		PTANKS		LIFFE US \$160,000	TREASUR GATEs of 1	Y 30HB 1	UTURES	OPTIO	KS .			UTORE lots of I		6	
4 f	Sirile Price 82 82 83 85 86 85 88	245 245 245 2-16 1-39 1-08 0-48 0-20	4-49 4-49 2-50 2-14 1-25 1-26	044 0-27 0-44 1-85 1-36 2-12 2-50 3-48	ilements MAR 0-47 1-00 1-22 1-48 2-14 2-59 3-54 4-04	Strike Price 887 887 888 899 90 91 92 93	Calls 48 Dec 4-01 3-13 2-29 1-18 0-34 0-34	412 334 259 2-25 1-80 1-35 1-13 0-60	05 0-29 0-57 1-16 1-46 2-19 3-52	245 4-5 4-5 4-5 4-5 4-5	18 1- 1- 1- 1- 1- 1- 1- 1- 1- 1- 1- 1- 1-	Strika Price 7900 8000 8050 8050 8050 8250 8250	1 1 1 0 0	71 33 60 72 51 51 22	140 1.06 1.73 1.77 1.77 1.63	Patrick Dec 0.22 0.32 0.44 0.61 0.63 1.12 1.45 1.83	0.67 0.83 1.00 1.23 1.47 1.74 2.06 2.40
0	Estimated Previous d	volume (at ay's open in	iai, Calis 4 L Calis 216	1472 Pots 1682 Pots 2	1456 1275	Estimated Previous d	rokune to ay'soper in	tal, Calls L <i>C</i> alls 15	270 Pats 95 Pats 1	242 523		Estima Previou	ed water sday's o	per intal er total	Calls 1 21k 495	944 Puts 1,7 Puts 8	4696 095
0	LIFFE CO.	MANAEK O	773345 %			Clas poin	REPOLLAR S of 180%					LIFFE ESOO,O	SHORT May 100	516HLB	5 97 13		
e .	Strike Price 9050 9075 9125 9125 9125 9200 9225	Calls-sett Dec 1.79 0.55 0.34 0.16 0.05 0.01 0	Nar 0.74 0.54 0.37 0.24 0.14 0.08 0.04 0.02	0.02 0.03 0.07 0.14 0.28 0.49 0.73 0.98	MAR 0,09 0,14 0,22 0,34 0,49 0,68 0,89 1,12	Strike Price 9125 9150 9175 9200 9225 9275 9300 Estimated	California Dec 0.78 0.55 0.18 0.08 0.04 0.02 0.01	Mar 0.94 0.72 0.52 0.24 0.15 0.08 0.04	0.02 0.04 0.07 0.17 0.53 0.53 0.76	0.0 0.0 0.1 0.2 0.2 0.3 0.5 0.7	7 0 5 4 7	Strike Price 8600 8625 8635 8700 8725 8750 8775		67 48 33 22 14 09 06	Mar 177 154 131 194 177 149 149	Dec 0.05 0.09 0.25 0.39 0.56 0.76 0.98	MAR 0.05 0.07 0.11 0.16 0.22 0.40 0.52 270
:	Previous d	ey's open let N (LIF	L Calk 14	027 Pols 11	3743		si, a chea ja				•	Previou	day's	apės ist.	Calls 7	ILLS Pat	49362
7	26-YEAR	7% MIT 18 Zada ef 10				U.S. TRE	ISURY DO 32nds of 1	105 (CB7) 198%	5%		_	JAPAK Y12.5a	ESE YE	4100 14 (000)			
t t	Des Mar Jun	Close 84-18 85-01 85-14	High 85-12 85-11	84-16 85-11	Prev. 85-12 85-30 86-11	Dec Mar Jun Sep Dec	89- 89- 88- 89- 88- 88-	28 90- U 89- U 89-	11 89 15 88	-08 -29	Pres. 90-15 90-01 99-20 99-07	Det Mar Jun		125est 0.7661 0.7657 0.7644	40g 0.766 0.766	0.764 0.764	5 0.766
	Estimated volume 27295 (45171) Previous day's open int., 33054 (35241) 85 TREASURY SORBS 8%				56 100	88-1 88-0 87-3	97	:	- 1	98-28 98-17 98-07 97-30	16013 16125	SE W	1K (18)	0	-		
-	2100,000	32mis of 1	High 90-11	Low 89-17	Pres.	Sep Des Mar Jun	87-3 88-3 88-4	<u> </u>	=	-	17-30 17-21 18-17 18-07	Dec		0.6545 0.6535	0.665 0.655	0.653	
	Dec Mar Jan	89-18 89-04 88-23	₩ -11	67-17	90-17 90-03 89-22		ASURY MILES of 100%				_	Jm		0.6496		•	- 0.649
1	Eștimated Previous d	eckene 475 zy's open ist	98 (2275) L 6748 (66671		Dec	Late 93.2	st HI	gh (2 <u>1</u>	Pres. 93.31	THERE Size pe	MONTE Sets of	EUROS 188%	11 AP (, (1 111	
١	6% NOTE DM250,00	MAL CERN 9 100ths d	100%			Mar Jun Sep	93.4 93.2 95.2	20	35 95	31	93.50 93.40 93.20	Dec Mar		92.03 92.15	92.0 92.1	3 764	3 921 4 922
.	Dec Mar Jun Estimated	Close 80.89 80.73 80.68 volume 602	High 81.27 81.10	80.81 80.81 Live	Pres. 81.30 81.14 81.09	Dec	92.9		•	•	92,93			92.06 91.85 91.90 91.40 91.25 91.16	92.0 91.8 91.5 91.4 91.2	7 918 9 919 2 911 7 912	3 91.9 0 91.9 5 91.4 5 91.3
		wohene 602 ay's open in			ENT.	SWESS FI SFr 125,8	MIC (MA) 188 \$ per S) Fr			_	5T/AITS/ 5509 #		PODES 5			
:	Dec Mar	Clase 89.63 89.63	et 108% High 90.15	Line 89.70	Prer. 90.05 90.05	Dec Mar Jun Seo	0.782 0.782 0.783 0.783 0.775	66 0.78 15 0.78 11 0.78	5 O.7	95 Q - Q	Pres. 7821 7817 7811 7799	Dec Mar Jan		13156 31156 31665 32310	1843 314.3 314.7		0 307.4
- (Estimated Previous d	ecitame 163 ny's open to	(1777) L, 1227 (64	50 5		PHIRADEL		/S OPTIO	15								
	THREE 180 2540,446	polisis of 1	99%			Strike Price	Q±		Calls	Dec		ir	Oct	-	Pats	Dec	.—
	Dec Mar Jun Sep Dec Mar Junt Sep Dec Mar	Clear 86.83 87.72 88.32 88.43 88.43 88.13 88.13 88.13	High 85,78 88,57 88,57 88,20 88,20 88,20 88,20	86.77 87.67 88.25 88.40 88.17 88.13 88.17	Pres. 86.88 87.79 88.61 88.55 88.20 88.18 88.20		19.52 17.02 14.62 12.13 9.62 7.15 4.64 ay's open is	nt: Calls :			17 14 12 10 6 6 70,772 (A)		cles)	11 01 01 01	3 8 8 3	013 029 039 039 139 247 245	108 1207 245 -347 -344 557
ł	Mar Jen Sep	88.20 88.20 88.20	88.21 88.21 88.20	88.20 88.20 88.20	88.20 88.20 88.20	10 YEAR	20% NOTS						ilighi			Yield 10.54	Open to
	Est. Val. (esc.20 lec. figs. sc ly's open in	ecous): ! deces):	53024 02	287)	December March June September Estimated	volume 60,	Open 97.16 97.10 97.08 97.08	Clo 97.0 97.1 97.2 1 Open In	-	Change -0.30 -0.28 -0.04	97 97	40 26 20	97.0 97.0 97.0	4 0 8 -	10.54 10.56 10.57 10.69	Open to 59,94 10,24 1,21

FINANCIAL FUTURES AND OPTIONS

FRM. 9213 9214 9214 91.93 91.93 91.93 91.23 ne 9.554 Total (new Interest 23.455 ne 9,674 Total Open leterest 8/A î volume 7047 46784) day's open lot. 57543 (56691) BASE LENDING RATES THREE MOUTH BLD BCB Im points of 100% Eccatorial Bank etc Regal Bit of Scotland ...
Regal Bit of Scotland ...
Regal Trest Bank
Sneith & Willeas Sess ...
Standard Clartered ...
TSE
Utilsank pic.
Utilsank pic.
Utilsank Regal Regal
Libited Microbi Regal Experimental Life 1442
Financial & Gen. Bank 15
Finst Rational Rank Pic. 1642
Robert Financial & Co. 15
Robert Financial & Co. 15
Robert Financial & Life 1442
Girotank 1442 Bank of Barrota 14
Space Bilbae Vizzapa 1914
Space Bilbae Vizzapa 1914
Sank of Cymras 1914
Sank of Cymras 1914
Sank of Indian 14
Sank of Indian 14
Sank of Soutland 1914
Sank of Soutland 1914
Sangue Belge Ltd 1914
Sangue Belge Ltd 1914
Sangue Belge Ltd 1914
Sangue Sengue Sangue 1914
Sangue Sengue 1914
Sangue 1914
Sangue Sengue 1914
Sangue 1914
Sangu

Beachmark Bank _______15 Brit Bk of Mid East _____#14 Brown Shipley ______#14

OPTING ON LONG-TERM FRENCH DOING GRATIFY

1.86

Pats Marci 1.12

1.80

תֿנ

Bill Sartner	F145	
C. Hoare & Co.	F145	
Hougkong & Shangh	F146	
Leopold Joseph & Soos	F146	
Leopold Joseph & Soos	F146	
Meghraj Bank	F147	F146
Michowell Douglas Bak	F146	
Michowell Douglas Bak	F146	
Michowell Bank	Michowell Bank	
Michowell Brown Shipley #14		
CL Bank Heberland #14
Charterhouse Bank #14
Chibrank HA #14
Chyllendank Bank #14
Chylendank Bank #14
Comm Bit of Louine Pic #14
Co-operative Bank #14 Members of British Merchant. Banking & Securities Houses Association. * Deposit now 5.1% Sacorise 7.7%. Top The 250,000-instant access 13.7% & Mortgage bost rate. § Dessand deposit 9%. Mortgage 15.2% - 15.95% # Due to table not appearing yestering, please note that this rate applied from close of business on 8/10/90.

MONEY MARKETS

UK rates firmer

THE MOOD of euphoria showed signs of fading in Lon-don's financial markets yesterday. Money market rates were slightly firmer and prices of short sterling futures declined as sterling fell back towards the DM3.00 level on the foreign

Three-month sterling interbank rose to 13%-13H per cent from 131-132 and 12-month money was quoted at 131-13 per cent against 13/-12/2. Short sterling futures continued to trade quite actively

UK clearing bank base lending rate 14 per cent from October 8, 1990

on Liffe, but showed little overall movement. December delivery opened lower at 86.84 and touched a low of 86.77, before closing at 86.82 compared with 86.88

previously. A day-to-day credit shortage of £200m on the money market was initially forecast by the Bank of England, but this was revised to £250m in the afternoon. The authorities did not operate in the bill market during the day, but provided late assistance of £180m.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £520m, with bank balances below

and the second of the second o

target absorbing £5m. These outweighed Exchequer transactions adding £240m to liquidity and a fall in the note

circulation of £85m. In Brussels the Belgian National Bank cut the rate on its main instrument of credit policy, three-month Treasury bills, by 0.05 per cent to 8.90 per cent. Rates on one and two-month bills were reduced by a similar amount to 8.85 and 8.90 per cent respectively. Four-month paper, issued by the Securities Regulation Fund, was also cut by 0.05 per

cent to 9.05 per cent.

The relative strength of the Belgian franc in the EMS has allowed the central bank to cut rates steadily in recent months. The last reduction, also of by 0.05 per cent, was made on September 24.

In Frankfurt call money remained at 8.05 per cent, as the money market awaited the outcome of this week's securities repurchase agreement tender. The Bundesbank offered liquidity through a 28-day pact at variable bid rates. This is to replace an earlier 28-day facility of DM23.1bn expiring

reasy Bills (sell); one-mouth 134 per cent; three mouths 134 per cent; thre today. Rates at the tender are

quoted to the market by five Bank, Bank of Tokyo, Deut	reference bank refe Bank, Bar	s at 11.00 a. sque Mailona	si, earb workir i de Paris and	og day. The bur Morgan Guara	rks are Matien unty Trust.	el Westminste							
MONEY RATES													
NEW YORK Treasury Bills and Bonds													
(Lunchtime Oct. 5) Priore rate	Test			7 % FI##	(2 12 2								
Broker least rate Fed lands Fed hands at loterrenties	82 Dae	(1964) (1964)	3	7.58 10-ж	7	8.79							
Oct.9	Overnight.	One Month	Two Months	Times Mostles	Sh: Months	Lonbard Intervestion							
Paris	92-92	8.20-8.30 乳乳	820-835 97-10	855-840 93-10 74-8	8.60-8.75 10 <u>4</u> -10 <u>4</u>	8.00 9.50							
Zurich	65-75 106-818	71.71 828-833	: 1	845-855	•	-							
Takyo	74.75	79-73 103-104	: {	11.11.	:								
Dubilo	7.10 I	101-102	101-105	18.19	70路-70路	:							
L	ONDO	N MC	YENC	RATE	S								
Oct 9	Overnight	7 days aptice	One Month	Three Months	Six Months	QD9 Year							
Interbank Offer		.14	;꺯.	134	13%	뱮							
Intertank Bid Sterling CDs	10	134	盟	133	强	選							
Local Authority Dees,	13%	13%	138	135	134	124							
Local Authority Sonds Discount Mkt Dept	1312	138	133	13%	1 . <u>-</u> .	1 5							
Company Deposits Finance House Deposits		l =	133	爵	134	13%							
Tennery Bills (Bost)	I	} =	: 137	134	L								
Bank Bills (Bay) Fine Trade Bills (Buy)	1 = 1	l =	131		認	! =							
Dollar CDs		=	8.20	8,22	8.20	8.25							
		l <u>-</u>	94	94	93. 91. 10.	10 % 10 %							
SDR Linked Dep. Offer . SDR Linked Dep. Bid ECU Linked Dep. Offer .	_			104									

FT LONDON INTERBANK FIXING

6 months US Dollars

(11.00 a.m. Oct.9) 3 months US dollars







FT-SE 100 Where next?

CAL Futures Lad Windsor House 50 Victoria Street London SW1H 0NW

MONEY MARKET FUNDS **Money Market**

Trust Funds ten & Co Ltd

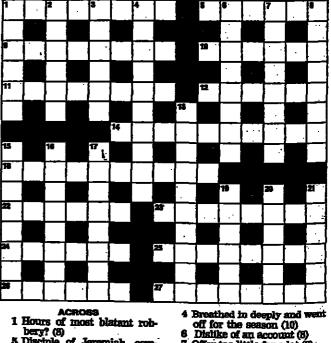
Money Market Bank Accounts

Tyminii & Co Liti 9.75 13.57 Mg 4.55 13.57 Mg

JOTTER PAD

CROSSWORD

No.7,363 Set by DINMUTZ



1 Hours of most blatant rob-bery? (8) 5 Disciple of Jeremiah, composer with rugby at heart (6)

9 Accidentally bearrays the onlooker (62)
16 Doles out money initial-

ly but not often (6)

11 Conspicuous errors of golder
in houndaries of courses (8)

12 This girl has a short step (6) 14 Ingenious drawer for papers (10)

18 One who gives unwanted third-party insurance? (10) 22 Lower train provides this

soup (6)
28 A cryptographer's ruse of setting the initial charac-ters - only? (8)

24 Right in saying it is a tince-legged pot? (6)
25 Bond has pheasant, for example, in dressing (8)
26 Clergyman in corrupt circle

(6) 27 Way in for transport (8)

DOWN

1 Illustrate record held by shorter dictionary (6)

2 Service follower means to change after a year (6)

3 Diamonds? Majority comes from glacial period (3-3)

VAITINGLIST ORE
E N S A L W F B
LOCAL SILVERIUM
REMITTING YENET
E E G A Y D A
AIRFARE LOOT
O A X N C D
AIRFARE LOOT
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C D
O A X N C

the angora (6)

7 Offer too little for a lot (8) 8 Dampaess of half-hung dimity, fluttering (8)

18 Case against wanton tart, in

the winner of race in early story – in hardback? (8)

17 Double helping of processed Brie leads to thiamin deficiency (8)

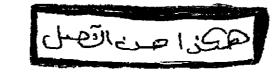
19 Second shock, perhaps, for the angors (6)

20 Western without English is

old age (6) Solution to Puzzle No.7,362

broadcast (6) Chesty condition is a sign of

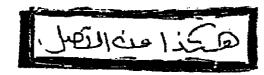
appeal (16) Coasting freely in matters of belief? (8)



DAI. OCLUBIA

JOTTER!

WORD



		W	ORLD STO	CK MARKETS
ADSTRIA †	<u> </u>	. Adaba A Ba day - Calaba A Line day - 1	SWEDEN October 9 Kroner + pr -	CANADA
Accident Alflows 2,200 150	Regide-Sey	Ballet St. S	AGA 8 (Free)	Sales Suck High Low Close Chap
DENMARK Stroker Stro	Chrest 485 119 Legatod 3,775 45 Legatod 3,775 45 Legatod 3,775 45 Legatod 4,9 Legatod 5,9 Le	Verta	## OFFICE 170	NEW YORK DOW JONES Oct. Oct. Oct. Oct. 1990 Since compliation 9 8 5 4 1900 LOW
PINLAMB	Sci. Straigned	Suco Larlant	mple Am Gold 133 4.5 miles Race Rand 130.75 -0.25 miles 155 -0.1 miles Race Rand 130.75 -0.25 miles 155 -0.1 miles Race Race Race Race Race Race Race Race	STANDARD AND POOR'S Composite: 313.48 311.50 312.67 311.40 368.42 307.37 477.57 355.12 (0.6/17) 2770 (0.6/17.57 355.12
Acro 10 12 4 4 4 4 4 4 4 4 4	ASS 280 13	Scinier 9 Yea + ar Scinier 9 Yea + ar October 9	STRALIA Geneticanto 1.05	NEW YORK ACTIVE STOCKS TRADING ACTIVITY Size of 1983 1982 172, 1980 1988 303,331 1874 68/9 1874
Assign lefton 1,120 140 Barry Pharm 500 -20 140 Barry Pharm 150 -20 140 Bridgestine 1,170 140 Bridgestine 1,170 140 Calgis Frond 1,100 -20 Calcusto Corp. 140 -20 Canno Safer 1,200 -20 Canno Safer 1,200 -20 Canno Safer 1,000 -20 Canno Safer 1,000 -20 Canno Safer 1,000 -20 Canno Safer 1,000 -20 Central France 50, 146 Calcusto Samel 25, 156 Calcusto Samel 25, 156 Calcusto France 1,200 -20 Canno Executive 1,2	10 10 10 10 10 10 10 10	Abgen OK	TRESUMES 1.26 40.01	Base values of all indices are 100 except NYSE All Common 50. Standard and Poor's -10; and Feronto Congesite and Metals -1000. Toronto indices based 1975 and Montreal Portfolio 471/83. † Excluding bonds. # Industrial, plus Utilities, Financial and Transportation. (c) Good. (d) TOKYO - Most Active Stocks Tuesday 9 October 1990 Tokyo - Most Active Stocks Tuesday 9 October 1990 For a full editorial symopsis and adversigement details, plosse contact: Poter Sovemen, Salomonkusta 17A 29 00100 Helsinki, Finhand No. Depted led. (1/1/18) 69 445 5 571.0 (4/1) 4231 (20/18) **Saturbroof content in the Complete C
Dalbarer 57 47 Dal Hispon lett 526 -14 Dal Hispon lett 526 -14 Dal Hispon Pier 2,940 Dal Hispon Pier 1,540 410 Dal Hispon Pier 1,540 410 Dalshon Parr 1,210 415 Dalshon Fait 1,100 415 Dalshon Bait 1,000 100 Dalshon Bait 1,000 Dalshon Bait 1,000	Kyuna Hakko	Catalogue Elec Sty	### 255 -0.05 ### 250 Bank	Blocks Closing Changes Traded Prices on day Traded Prices on day Traded Prices on day 17m 600 +15 Kurabo tnd. 8.8m 1.20 +100 Napon Steel 12m 3,200 -600 Whish Heavy 8.3m 731 -13 Napon Steel 12m 633 +11 Sumfarme Mai. 7m 1,120 +10 Case of the content of the conten
5.330 100	W	Sentro	e Darby	The Financial Times proposes to publish this survey on: 23rd November 1990 For a full editorial synopsis and advertisement details, please contact: Paul M. Jefferis or Anthony G. Hayes on 021 454 0922
ver	REC 1,490 -60 NGK Insugantus 1,090 -60 NGK Supert Pring 1,090 -60 NGK Supert Pring 600 +20 NGK Super Pring 600 +20 NGK Super 600 +20 NGK S	Supplement Filtre	GAPORE 4.40 0.2 Storage 4.40 0.2 8.70 0.2 8.81 6.50 -0.05 7.82 8.82 0.06 8.82 3.84 0.06 8.83 3.84 0.06 8.83 3.84 0.06 8.84 7.80 0.15 8.84 7.80 0.3 8.86 7.86 0.75 8.86 0.75 0.75 8.86 0.75 0.75 8.86 0.75 0.75 8.86 0.75 0.75 8.86 0.75 0.75 8.86 0.75 0.75 8.86 0.75 0.75 8.86 0.75 0.75 8.86 0.75 0.75 8.86 0.75 0.75 8.86 0.75 0.75 8.86 0.75 0.75 8.86 0.75 0.75 8.86 0.75 0.75 8.86 0.75 0.75 8.86 0.75 0.75 8.86 0.75 0.75 8.86 0.75	George House George Road Edgbaston Birmingham B15 1PG FINANCIAL TIMES CHARGES BUTCHLES BUTCH
Total Public 100	Needs Fujikonis 123 127 128 129 129 120 12	Sentitions Med. in	es—Prices on une page are ac quoted of administration of last traded s. last immenitables. If Deadlegs suspended, a deficient, as Ex surip lastes, as Ex rights a sil. strike prices ampraisable from source.	

YORK STOCK EXCHANGE COMPOSITE PRICES

3pm prices October 9 1-16-yeard ## 1-

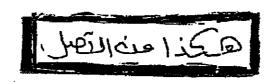
1,28 ,05 ,84 1,05 2,04 1,26 30 ,12 1,49 ,30

| Part | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100

George Cle
14 - 1
812 - 1
813 - 1
814 - 1
814 - 1
814 - 1
814 - 1
814 - 1
814 - 1
814 - 1 Low Stock Div 11% General 2.0 6. General 2.0 7. George 1.0 7. George 1. 11 | HRE | 130 | 130 | HRE | 130 | 130 | HRE | 130 | 130 | HRE | | 194 | 194 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198 | 198

THE TOTAL TO Low Stock Company Comp eriet zerbit it i set i bit i serbit i set 31, MACOM
11 MARST
21 MBMA .88
341 MGA .88
341 MGC 1.51
7 MGC 1.51
7 MGT .16
65 MGC 1.51
7 MGT .16
65 MGC 1.51
7 MG FT .86
10 MG MG T .16
65 MG FT .86
10 MG MG T .16
65 MG FT .86
10 MG MG T .16
65 MG FT .86
10 MG MG T .16
65 MG MG T .

AFRIDAY OCTOR



NYSE COMPOSITE PRICES

| Description |

345 Useline 2.08
50 US pill 8
5 77 95017 274, 23 21 31 12 127 684, 24 21 127 684, 25 34, 2 102333141152785515414485355703

| Stack | Property | Stack | India | I

NASDAQ NATIONAL MARKET

Deticology of the property of LDI Co :
LTX
LVIMI 15:TO
LAPAN 25:TO
LAPAN 35:TO
LAPAN

COMPUTER NETWORKING

The Financial Times proposes to publish this

survey on: **20 NOVEMBER 1990**

For a full editorial synopsis and advertisement details, MEYRICK SIMMONDS

> on 071-873 4540 or write to him at:

Southwark Bridge London SEI 9HL

FINANCIAL TIMES

AMEX COMPOSITE PRICES

19222045191920113281280484177

Stands | Dhu E | 100a | Right | Lower | Classes | Change | Countred | Coun

AMERICA

Weak dollar and dismay over budget upset Dow

Wall Street

DISMAY OVER the budget deficit reduction pact combined with higher oil prices and a weaker dollar to push US equi-ties broadly lower yesterday morning in light trading, urites Karen Zagor in New York.

At 1.30 pm, the Dow Jones Industrial Average was down 42.32 at 2.481.44 on fairly thin volume. The stock market retreat was broadly based, with declining issues leading those advancing by 11 to three. At 1 pm, the Standard & Poor's 500 index was off 5.48 at 308.00. On Monday, the Dow closed 13.12

higher at 2523.76. Stocks moved in tandem with bonds yesterday morning, when the treasury's benchmark 30-year long bond was 15 lower, yielding 8.94 per cent.

Both the bond and equity markets were shaken by the seeming inability of Congress to agree on a credible budget

Increasing tension in the Middle East further depressed the markets while oil prices rallied. At midsession, Novem-ber crude oil was up \$1.51 a

Wall Street was also upset by weakness in overseas marts, with stock prices ending mixed in Tokyo and London stocks moving lower.

Motorola plunged \$6 to \$53% in heavy trading after the elec-

tronics maker reported disappointing third-quarter earn-

Although Motorola's profits of 78 cents a share were higher than the 69 cents reported a year earlier, analysts had expected the company to report earnings of between 82 cents and \$1.24.

Travelers Insurance lost another \$% to \$13% in spite of an announcement of plans to preserve capital and support its troubled real estate portfo-lio investments. Dow Jones tumbled \$2 to

\$20% after an analyst at Gold-man Sachs reduced the earnings forecast for the company. On Monday, Dow Jones reported lower-than-expected third-quarter earnings. General Cinema added \$1%

to \$18% after the company said it had sold its entire investment in the UK's Cadbury Schweppes apart from 13.2m ordinary shares which are held in escrow. General Cinema said the sale would result in an after-tax gain of about \$1.10 a share in the current quarter. Hanson's American depository receipts lost \$1 to \$18% after the company said it would reduce its investment in Newmont Mining to about 28 per cent from 49 per cent. Newmont Mining fell \$1% to \$38%.
Upjohn added \$1% to \$38 in a

second day of heavy trading amid rumours that the company was a takeover target.

the stock movement.

Among other blue chip issues, IBM fell \$2 to \$107%, Philip Morris moved \$1 lower to \$46%, Boeing rose \$% to \$44% and General Electric lost \$1% to \$53%.

Oil stocks, which have provided a focal point for the stock market since the Gulf crisis began, were mixed, as oil futures soured past the \$40-a-barrel level. Mobil slipped \$1 to \$60, Texaco advanced \$1/4 to \$60%, Occidental Petroleum was unchanged at \$18% and Amoco was off \$% to \$56%. Among oil-service company issues, Schlumberger fell \$% to \$62%, Dresser Industries added

\$% to \$19% and Halliburton

slipped \$% to \$53%.

TORONTO stocks slipped fur-ther at midday after opening lower on higher oll prices, renewed concerns about the Middle East and questions over the US budget. The composite index lost 9.4 to 3,157.4 on volume of 12m shares. Declines led advances by 192 to 170.

Canada Packers firmed C\$% to C\$10 after it said it planned to dispose of more assets in the

Among active shares. Nova eased C\$% to C\$7%, Canadian Pacific was flat at C\$17%, Laid-law slipped C\$% to C\$20% and

Political uncertainty haunts the Philippines

The failure of the latest revolt is unlikely to reassure investors, writes Greg Hutchinson

pression of a military revolt at the weekend in the Philippines has lifted the Manila stock market 11 per cent this week. But the political and economic uncertainty - which had caused the Philippines' twin stock markets to shed 38 per cent of their value in the three months before the rebellion – remains.

The surrender at the weekend of rebel leader Colonel Alexander Noble, who had seized military camps and pro-claimed independence for Mindanao island last Thursday, is unlikely to reassure investors that political stability will last for long. Indeed, Mr Fidel Ramos, defence secretary, warned this week that he could not rule out further coup attempts. Last week's rebellion followed a serious revolt in

The Manila and Makati bourses were never large, but before last December's bloody coup attempt there was a prevalent view that they would be strong performers into the 1990s. They were expected to mirror a robust performance in the real economy.

Last November the Manila

composite index stood at over 1,350 and gross national prod-

134.89. Volume rose to 450m

shares from 400m. The day's

high of 23,971.44 came soon

after the opening as stocks

yen and firm overseas markets

before the close, was 22,361.70. Advances led falls by 583 to 381, with 190 issues unchanged.

The Topix index of all first sec-

tion stocks inched up 1.50 to 1,728.69, and the second section

was also higher. In London, the ISE/Nikkei 50 index receded

Large-capital issues, includ-

ing steels, trading houses, elec-tric powers and contractors, extended Monday's gains in

morning trading. High-technology issues were dull.

neared 24,000, investors grew wary and began to take profits.

The slowing of the yen's

the consequent easing of bond prices, added to the market's

caution. There was also some

clearing of positions before today's national holiday.

Securities said: "Everybody expects the market to become

reaches 24,000 as financial institutions, which renewed their funds on October 1, start

to take profits." He added that

it was a little risky to buy at

this level, beyond which a mar-

ket recovery was uncertain. High-technology shares fell

SHARE PRICES closed little changed in Johannesburg in the run-up to today's holiday. Buying interest was restrained by a firm financial rand. The all-share index slipped 8 to 2,693, as gold shares failed to rise on higher bullion prices.

SOUTH AFRICA

Mr Hiroaki Ozaki of Kokusai

Later, as the leading index

11.61 to 1.351.83.

The low for the day, shortly

uct (GNP) was growing at **Philippines** about 6 per cent annually. Yes-terday, the index stood at Manila S.E. composite price index 571.81 and most brokers believe it could test 480, irrespective of whether peace breaks out in the Gulf. Even before the rise in international oil prices sparked by Iraq's August 2 invasion of Kuwait, the economy was thought to be growing at less than 3.5 per cent. A severe drought, a power shortage, a destructive earthquake and typhoon-spawned floods have all weighed on the economy. Mr George Uy-Tioco, president of Philippine Asia 400 Nov 89 Equity Securities, a First Pacific company, predicts GNP contract workers in the Middle growth may be only 2.5 per cent this year - "and next year it could even be worse". East, causing a sudden con-traction of foreign exchange

"I am very, very concerned looking at 15 to 18 months down the line," he says, citing prevailing high interest rates - prime rates are now 27 per cent - and sharply lower earnings growth expected for nearly all listed Philippine companies. "Much depends on the Middle East outcome and hard decisions the government needs to make," he says.

Among the effects of the Gulf crisis on the Philippines, of payments deficit.
Meanwhile, investor pessi-Iraq's takeover of Kuwait has dislocated about 70,000 Filipino

remittances to the Philippines. Also, the government lifted oll prices by an average of 32 per cent late last month, although the rise was largely offset by a tax adjustment which benefited the country's oil wholesalers and petroleum consumers, ensuring maintenance of an unrealistically high government oil price sub-sidy. The oil price decision has increased pressure on the country's budget and balance

entrenched with every Manila bomb attack - mostly blamed on right-wing army rebels and targeted against high-profile local and foreign businesses. One of the latest attacks was on Saturday night, after the defeat of the military rebellion. Recent attacks have been against American companies, an apparent attempt to scare away foreign investors and

underline opposition to the continued presence of US military bases in the country. "If the objective is to frighten us, they are succeeding, said an executive of an international company, where a dynamite device was detonated just before it was due to explode late last month.

As far as the stock market is concerned, the impact of the bombings and the Gulf crisis is summed up by Mr Patrick Gar-cia, vice-president of Manila brokers Garcia and Associates: "Why buy cheap stocks when you know they will get cheaper by the day?"

Ms Carolyn Kabigting,

research manager at Anscor Hagedorn Securities, the Phi-lippines' largest broker, sees lean times - both for values and volumes - into the second quarter of next year. Provided

mism becomes further the Gulf crisis has eased the slowly from mid-1991 as can-paign spending begins for the May 1992 presidential elections,

she savs. The stocks with a better chance of weathering the con-tinuing storm, according to Mg Kabigting and Asia Securities' Mr Uy-Tioco, are Philippine National Bank and Philippine Long Distance Telephone. The bank stock is little affected by the fall-off in Middle East remittances and is seen as ben-efiting from the country's high

interest rate regime.

The telephone company,
which is also listed in New
York, should receive a boost from foreign exchange gains due to the depreciating Philip-pine peso. Also a 20 per cent reduction in international call charges earlier this year has raised company revenue through increased usage, notes Ms Kabigting.

Country and regional funds are taking a cautious position on Philippine stocks. Where eastern Asian regional funds a year ago allocated 9 per cent of their portfolio to Philippine listed companies, now they earmark 5 per cent and, in one case, only 1 per cent to Manila and Makati stocks.

Rally proves short-lived as oil price moves higher

THE CONTINENTAL rally was short-lived, as bourses resumed their bearish course yesterday. investors were encouraged to take profits by the rising oil price and remarks by Iraqi President Saddam Hussein, writes Our Markets Staff.

FRANKFURT fell sharply in the last helf bown as traders.

the last half hour as traders, after hearing that US equities were moving lower in the pre-market in London, marked down prices to avoid taking a long position on board. One broker said that, of the few institutional orders he received, most were on the sell

The DAX index lost 32.12 or 2.2 per cent to 1,433.41, while the FAZ index, calculated at midsession, was 3.79 or 0.6 per cent lower at 618.37. Volume remained thin at DM3.6bn after

DM4bn on Monday. Losses were across the board, with Deutsche Bank falling DM12.30 to DM607.50 and Siemens down DM13.50 at

DM549.50. Allianz, the insurer, was particularly hard hit, falling DM120 to DM2,150, as the prospect of a fresh supply of stock from its recently announced rights issue weighed on the share price. Dealers said that the syndicate involved in the placing of the new stock was not strong enough to support the share price in the current

market climate AMSTERDAM sank under an assault of bad news from the corporate sector. The CBS ten-dency index fell 2.7 to 92.8 in

thin trading.
Nedlloyd, the energy and transport group, plunged FI 6.80 or 15.5 per cent to FI 37 after announcing that it expec-ted an unspecified net loss in 1990 after a net profit of Fi 252m in 1989. The company also planned to cut 420 jobs at home. The stock has lost 66.3 per cent since its 1990 high of

NATIONAL AND

To add to the gloom, specula-tion mounted that KLM, the

troubled national airline, would omit to pay a dividend for the 1990/91 year. KLM, which paid F1 1.80 a share the previous year, said last week it could suffer a considerable loss this year because of greater fuel, insurance and depreciation costs. The stock eased Fl 1 to Fl 20.40.

Philips, which said it would cut 4,900 jobs in its information systems division as part of its restructuring plan, fell 60 cents

PARIS fell 2.2 per cent on profit-taking, with the CAC 40 index losing 34.70 to 1,551.48. Turnover remained light, estimated at FFr1.3bn. Rumours that Paribas was

looking to sell its controlling stake in SCOA, the trading company, pushed SCOA FFr1.50 or 9.3 per cent higher to FFr17.60 in b

403,600 shares.
Accor, the hotels group, eased less than the overall market, falling FFr11 to FFr710 after announcing a 50 per cent rise in first-half profits, which was in line with expectations. By contrast, Dumez, the construction group, dropped FFr34 to FFr597 after reporting poor first-half figures; its merger partner, Lyonnaise des Eaux, fell FFr30 to FFr447, but GTM Entrepose, described by one analyst as the jewel in the Dumez crown, rose FFr10.50 to

Profit-taking pulled Eurotunnel FFr2.15 lower to FFr45.45 after the confirmation of the group's refinancing package. Pernod, the drinks company, lost FF137 to FF1963 after saying it was selling its champagne subsidiary, but the higher oil price lifted Elf Aquitaine FF19 to FF1660. MILAN ended lower in a lacklustre session with light

MONDAY OCTOBER 8 1990

Copyright, The Financial Times Limited, Goldman, Sachs & Co. and County NatWest Securities Limited. 1987 Constituent changes 9/10/90: Deletion: Center Parcs (Netherlands). Name change: Willis Faber to Willis Corroon (U.K) Canadian market closed October & Austrian prices were unavailable October & Latest prices were unavailable for

foreign selling; domestic mutual funds were absent. The oil price rise above \$40 a harrel soured sentiment, as Italy imports more than 80 per cent of its energy needs. Volume was estimated to be around Tuesday's L87.6bm, a low for the year. The Comit index fell 4.6 to 566.95.

"No one wants to get involved just before the end of the account," one dealer said. Fiat remained under pressure after industry data earlier in the week showed that its share of the domestic car market was continuing to shrink. The stock fell L150 to L6,540. Generali, the insurer, fell Li95 to L36,100, although dealers said its price had been supported recently by short-cover-ing. The telecommunications

sector was also vulnerable, and Stet eased L64 to L1,890. ZURICH eased in limited volume on worries about the effect of the rising oil price on inflation, although the September inflation figure was in line with expectations. The Crédit Suisse index fell 2.0 to 502.6.

STOCKHOLM fell in reaction to declines on other markets, with the Affarsvärlden General index down 8.8 at 983.0. The bourse said that it had delisted shares in Nyckeln, one of the stocks suspended two weeks ago because of a liquidity crisis, but would allow unofficial trading. Its restricted B shares fell to SKr7 before recovering to SKr30, down SKr70.

SCA free Bs eased SKr1 to SKr67 after the forestry group reported a smaller than expected decline in eight-month

OSLO hovered above its low for the year as fears of war in the Gulf resurfaced. The allshare index lost 7.57 to 529.67.
MADRID fell prey to profit-taking, with the general index losing 3.30, or most of Monday's rise, to 219.54.

FRIDAY OCTOBER 5 1990

Profit-taking starts as Nikkei nears 24,000 pace. Sony, unpopular as the yen strengthened because EQUITIES continued Monday's good rally in morning trade yesterday, but later fell from about 60 per cent of its sales are overseas, lost Y160 to

Y6,770. Pioneer Electronic retreated Y130 to Y4,530. Stocks popular with speculayestertay, but laner left from the day's highs on active prof-if-taking as the Nikkei average approached 24,000, writes Mar-tina Gannon in Tokyo. However, the leading index closed above the important 23,000 level et 22,405 II down tors plunged. Honshu Paper, the day's second most active issue, dropped a further Y500 to Y3,200. Drug shares were also weak, with Datichi Pharmaceutical falling Y30 to 23,000 level at 23,495.11, down

Y2,360 and Yamanouchi Pharmaceutical Y70 to Y2,770. Financials were mixed. Bank of Tokyo shed Y15 to Y935, but Fuji Bank added Y10 at Y1,800. Sumitomo Bank, clouded by allegations of illegal loan dealing by a former branch

manager, was untraded. In Osaka, buying of domestically oriented issues domi-nated trading. Constructions, steels, chemicals and electric railways were among the win-ners. Exporters, including pharmaceuticals and high-technology shares, lost ground. The OSE average finished at 26,994.78, up 378.24, advancing for the sixth consecutive session, and volume expanded to 31.6m shares from 23.9m.

Roundup WORRIES about events in the Middle East hung over Pacific Rim markets yesterday. Seoul was closed for a holiday.

TAIWAN ended sharply lower on concern that the clashes in Jerusalem overnight, which left at least 19 Palestinians dead, could lead to more tension in the Gulf. The weighted index dropped 149.36, or 5.2 per cent, to 2,746.25. Vol-ume improved to T\$25.39bn from T\$22.27bm.
SINGAPORE gave a dismal response to a share offer by Kay Hian James Capel, the brokerage concern, capping a string of progressively unsuc-cessful flotations. Kay Hian said less than 20 per cent of the 83m shares on offer had been bld for, leaving underwriters with more than 80 per cent. The Straits Times Industrial index lost 4.73 to 1,105.30. Vol-

ume fell to \$\$36m from \$\$40m. KUALA LUMPUR was pro-tected by an absence of selling before the general elections on October 21. In comparison with Singapore issues, recent Malaysian offerings have been over-subscribed, although by smaller margins than in the past. The composite index edged up 0.60 to 474.46 on vol-ume of 20m shares, similar to

five-year lows, but there was little enthusiasm behind the gains. The Barclays index ral-lied 12.88 to 1,455.78. Turnover rose to NZ\$10.9m (NZ\$9.1m). AUSTRALIA came off the day's highs as Tokyo fell back. The All Ordinaries index closed 5.9 up at 1,375.4, after touching 1,385.7, Turnover rose to A\$146m from A\$129m. Adsteam fell 17 cents to A\$2.18 after the stock exchange said it

was discussing reporting methods with the company. HONG KONG ended softer on profit-taking. The Hang Seng index dipped 11.96 to 2,913,52 on turnover of HK\$552m (HK\$575m). BOMBAY leapt after the stock exchange relaxed curts on forward trading to ease liquidity positions. The BSE index jumped 132.53 to 1,559.43.

This announcement appears as a matter of record only.

CIBA-GEIGY PLC

£125,000,000 STERLING COMMERCIAL PAPER **PROGRAMME**

Programme rating Standard & Poor's Corporation

Arranger Barclays de Zoete Wedd Limited

Dealers Barclays de Zoete Wedd Limited Midland Montagu Commercial Paper Swiss Bank Corporation

> Issuing and paying agent Midland Bank plc



BARCLAYS de ZOETE WEDD

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzle in conjunction with the institute of Actuaries and the Faculty of Actuaries

FT-ACTUARIES WORLD INDICES

REGIONAL MARKETS	MONDA! OCIODEN 8 1844									DOLLAR BROEX						
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Starting Index	Yee Index	DM Index	Local Currency Index	Local % cbg on day	Gross Div. Yield	US Dollar Index	Pound Szerling Index	Yon Index	DM Index	Local Currency index	1990 High	1990 Low	Year ago (approx)
Australia (78)	134.77	+1,1	101.22	111.30	107.52	107.21	+1.1	7.24	133.36	101.50	111.52	107.26	106.08	158.31	.125.85	180.41
Austria (19)	187.82	+0.1	141,07	155,12	149.84	149.78	+0.0	1.82	187.65	142.82	156.93	150.92	149.78	285.63	178.57	168.63
Belglum (61)	134.41	+ 1.6	100.95	111.00	107.23	104.75	+ 1.0	5.53	132,28	100.66	110.60	106.37	103.72	160.02	126.67	142.66
Canada (120)	127.60	+0.3	95.83	105.37	101.79	106.39	+0.0	3.76	127 <u>.2</u> 7	96.86	106.43	102.35	106.39	153.61	127 <i>.2</i> 7	154.16
Denmark (33)	246.00	+0.4	184.78	203.17	198.25	196.15	+0.4	1.51	245,08	186.53	204.96	197.11	195.42	277.62	234.05	202.12
Finland (26)	103.36	+0.6	77.63	85.36	82.46	78.53	-0.2	3.49	102.75	78.20	85.93	82.64	78.70	152.29	102.75	125.39
France (123)	135.34	+2.7	101.65	111.76	107.96	109.07	+ 1.9	3.77	131.72	100.25	110.15	105.93	107.08	168.85	124.98	139.55
Germany (91)	113.07	+4.6	84.92	93.39	90.20	90.20	+3.7	2.49	108.14	82.30	90.45	86.97	86.97	144.63	101.38	103.84
Hong Kong (48)	119.22	+2.4	89.55	98.46	95.12	118.70	+23	5.56	116.46	88.63	97.39	93.67	115.99	147,49	112.24	119.49
Ireland (17) Italy (91)	157.24 85.63	+4.1 +0.3	118.10 64.32	129,88	125,44 68,31	126.89 73.64	+4.1 +0.1	4,12 3.31	151.03 85.37	114.95 64.98	126.31	121.47	121.85	198.57	139.04	162.43
Japan (454)	126.82	+4.1	95.25	70.72 104.74	101.19	104.74	+28	0.81	121,87	92.76	71.39 101.92	68.66	73.55	109.26	80.87	92.26
Malaysia (35)	187.37	+0.6	కు.డు 140.73	154.74	149.48	194.73	+0.6	3.14	186.23	141.74	155.74	98.03	101.92 193.56	197.26	106.58	184.42 208.50
Mexico (13)	496.40	+2.8	372.83	409.95	396.02	1576.64	+3.0	0.43	482.93	367.55	403.87	148.78		250.89	182.96	
Netherland (42)	133.85	+3.8	100.53		106.79	105.81	+3.1	5.39	129.01	98.19		388.41	1531.24 102.66	561,41	324.53	319.19
New Zealand (16)	55.55	-1.0	41.72	110.54 45.88	44.32	47.42	- 1.6	7.32	58.08	42.68	107.89 46.91	103.78 45.11	48.20	149.03 75.36	127.56 55.55	131.72 82.52
Norway (28)	244.60	+2.2	183.71	202.01	195.14	196.96	+1.6	1.57	239.27	182.10	200.10	192,44	45.20 193.88	75.36 276.79	202.34	182.65
Singapore (25)	151.65	+0.6	113.90	125.25	120.98	121.36	+0.0	3.48	150.69	114.69	126.03	121.20	121.35	209.24	147.24	167.54
South Africa (60)	160.47	+5.9	120.53	132.53	128.02	137.29	+0.6	4.16	151,50	115.30	126.69	121.85	136.41	251.39	151.50	157.13
Spain (42)	139.41	+2.0	104.71	115.14	111.22	101.87	+1.3	5.40	136.74	104.07	114.36	109.98	100.54	182.25	128.54	165.52
Sweden (27)	183.32	+3.6	137.68	151.48	148.25	153.47	+3.1	2.84	176.91	134.64	147.95	142.29	148.89	234.93		181.80
Switzerland (67)	92.01	+2.5	69.10	75.99	73.41	73.24	+22	291	89.74	68.30	75.06	72.19	71.66		158.07 85.00	92.16
United Kingdom (300)	173.28	+4.5	130.14	143.09	138.23	130.14	+3.2	5.34	185.76	126.16	138.61	133.31	126.16	109.77		145.5B
USA (533)	126.30	+0.6	94.86	104.31	100.76	126.30	+0.6	3.89	125.52	95.53	104.98	100.96	125.52	176.18 148.95	139.87 121.30	148.29
	120,30	T U.0	34.00	104'31	(00.70	120.30	T U.U	3.03	123,32	30.00	104.50	100.30	123.32	C8.6P1	121.30	[40.29
Europe (967)	139.41	+3.6	104.70	115.13	111.22	108.23	+2.6	4.32	134.58	102.41	112.53	108.23	105.44	157,65	124.91	129.46
Nordic (114)	186.41	+2.0	140,01	153.95	148,72	146.13	+1.6	2.07	182,81	139.13	152.68	147.03	143.80	223.29	172.38	168.50
Pacific Basin (658)	126,60	+38	95.09	104.58	101.00	105.03	+26	1.23	121,91	92.79	101.96	98.06	102.32	192.75	107.82	181.02
Euro - Pacific (1623)	132.16	+3.7	99.26	109.14	105.43	107.13	+2.6	2.56	127.40	96.96	106.54	102.46	104.37	174.18	116,03	160.51
North America (653)	126.29	+0.6	94.85	104.31	100.77	125.00	+0.6	3.88	125.54	95.55	105.00	100.99	124.28	148.43	121.59	146.66
Europe Ex. UK (667)	118.82	+29	89.24	98.15	94.81	95.24	+22	3.52	115.49	87.90	96.60	92.91	93.15	145.62	109.94	118,51
Pacific Ex. Japan (202)	123.28	+1.3	92.59	101.83	98.36	105.28	+1.2	6.28	121.67	92.60	101.77	97.87	104.01	146.72	121.14	140.05
World Ex. US (1816)	132.50	+3.6	99.52	109.43	105.71	107.80	+25	2.61	127,84	97.30	106.92	102.83	105.14	173.77	117.12	160.36
World Ex. UK (2049)	125.02	+2.3	93.90	103.26	99.75	111.84	+1.7	273	122,15	92.97	102.16	98.25	109.96	162.00	115.37	155.10
World Ex. So. Af. (2289)	129,13	+2.6	96.98	108.65	103.02	113.50	+1.9	3.03	125.88	95.80	105.28	101.25	111.41	161.84	118.04	154.21
World Ex. Japan (1895)	131.89	+ 1.9	99.06	108.93	105.24	118.47	+1.4	4.15	129,44	98.51	108.26	104.12	116.78	151.59	124.31	140.19
The World Index (2349)	129.31	+2.6	97.12	106,80	103.17	113.67	+ 1.9	3.04	126.03	95.92	105.40	101.37	111.58	162.05	118.33	154.23